

W. R. GRACE & CO.
MARY BOUCHARD
62 WHITEMORE AVENUE
CAMBRIDGE MA 02140

Account No: 601-831985
Statement Start Date: 01 JUN 2001
Statement End Date: 29 JUN 2001
Statement Code: 000-USA-12
Statement No: 006 131

Page 2 of 3

| Ledger Date | Adj Ledger Date | Value Date | F T | References | Debit | Credit / Balance | Description |
|-------------|-----------------|------------|-----|-------------------|-------------------|------------------|---|
| 08JUN | | | USD | OUR: 0106081985WC | | 4,736.68 | CDS FUNDING MONEY TRANSFER CREDIT RECEIVED FROM YOUR CMBNY ACCOUNT PER STANDING INSTRUCTIONS ON FILE |
| 08JUN | | | USD | OUR: 0811000979PP | 4,736.68 | | PACKAGE LISTING |
| 08JUN | | | USD | OUR: 0106111985WC | **** Balance **** | 1,622.20 | CLOSING LEDGER BALANCE |
| 11JUN | | | USD | OUR: 1111001016PP | 1,622.20 | | CDS FUNDING |
| 11JUN | | | USD | OUR: 0106121985WC | **** Balance **** | 17,181.57 | MONEY TRANSFER CREDIT RECEIVED FROM YOUR CMBNY ACCOUNT PER STANDING INSTRUCTIONS ON FILE |
| 12JUN | | | USD | OUR: 1211000981PP | 17,181.57 | | PACKAGE LISTING |
| 12JUN | | | USD | OUR: 0106131985WC | **** Balance **** | 60,491.71 | CLOSING LEDGER BALANCE |
| 13JUN | | | USD | OUR: 1311001001PP | 60,491.71 | | CDS FUNDING |
| 13JUN | | | USD | OUR: 0106141985WC | **** Balance **** | 3,926.17 | MONEY TRANSFER CREDIT RECEIVED FROM YOUR CMBNY ACCOUNT PER STANDING INSTRUCTIONS ON FILE |
| 14JUN | | | USD | OUR: 1411000987PP | 3,926.17 | | PACKAGE LISTING |
| 14JUN | | | USD | OUR: 0106211985WC | **** Balance **** | 7,698.25 | CLOSING LEDGER BALANCE |
| 21JUN | | | USD | OUR: 2111000981PP | 7,698.25 | | CDS FUNDING |
| 21JUN | | | USD | OUR: 0106221985WC | **** Balance **** | 8,002.01 | MONEY TRANSFER CREDIT RECEIVED FROM YOUR CMBNY ACCOUNT PER STANDING INSTRUCTIONS ON FILE |
| 22JUN | | | USD | OUR: 2211000986PP | 8,002.01 | | PACKAGE LISTING |
| 22JUN | | | USD | OUR: 0106251985WC | **** Balance **** | 8,262.30 | CLOSING LEDGER BALANCE |
| 25JUN | | | USD | OUR: 0106251985WC | 8,262.30 | | CDS FUNDING |
| | | | | | | | MONEY TRANSFER CREDIT RECEIVED FROM YOUR CMBNY ACCOUNT PER STANDING INSTRUCTIONS ON FILE |

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 Page 3 of 3

| Debit | Credit / Balance | Description |
|-------------------|------------------|--------------------------------|
| 8,262.30 | | PACKAGE LISTING |
| **** Balance **** | | CLOSING LEDGER BALANCE |
| | 37,000.80 | CDS FUNDING |
| | | MONEY TRANSFER CREDIT RECEIVED |
| | | FROM YOUR CMBNY ACCOUNT PER |
| | | STANDING INSTRUCTIONS ON FILE |
| | | PACKAGE LISTING |
| | 3,095.50 | CLOSING LEDGER BALANCE |
| | | CDS FUNDING |
| | | MONEY TRANSFER CREDIT RECEIVED |
| | | FROM YOUR CMBNY ACCOUNT PER |
| | | STANDING INSTRUCTIONS ON FILE |
| | | PACKAGE LISTING |
| | 500.00 | CLOSING LEDGER BALANCE |
| | | CDS FUNDING |
| | | MONEY TRANSFER CREDIT RECEIVED |
| | | FROM YOUR CMBNY ACCOUNT PER |
| | | STANDING INSTRUCTIONS ON FILE |
| | | PACKAGE LISTING |
| | 150.00 | CLOSING LEDGER BALANCE |
| | | CDS FUNDING |
| | | MONEY TRANSFER CREDIT RECEIVED |
| | | FROM YOUR CMBNY ACCOUNT PER |
| | | STANDING INSTRUCTIONS ON FILE |
| | | PACKAGE LISTING |
| | .00 | CLOSING LEDGER BALANCE |

Chase Manhattan Bank
 Information Services
 6040 Tarbell Road
 Syracuse, N.Y. 13206



BRYANTT

STATEMENT PROOF

ACCOUNT TITLEACCOUNT NUMBERCUTOFF DATE

W. R. GRACE & CO.

601831985

06/29/01

OPENING BALANCE..... +/-

0.00

TOTAL DEPOSITS.....

243,211.48

CREDIT MEMOS.....

0.00

RETURN ITEM CREDITS.....

0.00

OTHER CREDITS.....

0.00

TOTAL NEW CREDITS..... +

243,211.48

TOTAL AMOUNT OF CREDITS.... =

243,211.48

CHECKS PAID.....

243,211.48

DEBIT MEMOS.....

0.00

CERTIFIED CHECKS.....

0.00

OTHER DEBITS.....

0.00

TOTAL AMOUNT OF DEBITS..... -

243,211.48

PREP BY

PHONE (315) 433-2460

STATEMENT BALANCE..... =

0.00

SEE ATTACHED ADJUSTMENT SCHEDULE(S) AND NOTES ON FOLLOWING PAGES

Telephone
 315-433-2460
 315-433-2499 (Fax)

The Chase Manhattan Bank
Information Services
6040 Tarbell Road
Syracuse, NY 13206



SETTLEMENT OF OUTSTANDING ITEMS

BRYANTT

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=====
ACCOUNT TITLE                                ACCOUNT NUMBER    CUTOFF DATE
-----
REMEMIUM GROUP, INC.                        601831985         06/30/01
=====
```

OUTSTANDING ITEMS FROM PREVIOUS MONTH... + 91,313.36

```
ISSUE FILE RECEIVED..... 261,405.14
MANUAL ISSUES..... .00
CURRENT PAID-NO-ISSUES..... .00
ADJUSTED ISSUES..... .00
EXPIRED STOPS..... .00
ISSUES DATED AFTER CUTOFF-PRIOR RECON .00
REVOKED STOPS/REVOKED CANCELS..... .00
```

TOTAL ISSUED THIS PERIOD..... + 261,405.14

TOTAL OUTSTANDING ITEMS = 352,718.50

```
=====
TOTAL PAID..... 243,211.48
CURRENT STOP PAYMENTS..... .00
CANCELLED ITEMS (ISSUED)..... .00
STOP AMOUNTS CHANGED TO $0.00..... .00
DELETED ISSUES..... .00
ISSUES FOR PREVIOUS PAID-NO-ISSUES... .00
ADJUSTED ISSUES..... .00
REJECTED ISSUES..... .00
ISSUES DATED AFTER THE CUTOFF..... .00
ISSUES POSTED TO PRIOR STOP/CANCELS.. .00
```

TOTAL DEDUCTED FROM OUTSTANDING..... - 243,211.48

TOTAL OUTSTANDING ITEMS..... = 109,507.02

SEE ATTACHED ADJUSTMENT SCHEDULE(S) AND NOTES ON FOLLOWING PAGES



DAREX PR

0/300153/011

AS OF: 27 JUN 01

PAGE 1 OF 3

4704

DAREX PUERTO RICO INC
C/O W.R. GRACE & CO.
ATTN: PAUL MILLIKEN
62 WHITTEMORE AVE
CAMBRIDGE, MA

02140

REGULAR STATEMENT

405493

SUMMARY OF BALANCE - CITIBANK PUERTO RICO

OPENING BALANCE AS OF 26 MAY 01

1,976,370.14

44 DEBITS

355,272.07

42 CHECKS

351,884.74

2 NON-CHECKS

3,387.33

11 CREDITS

435,062.06

11 DEPOSITS

435,062.06

0 NON-DEPOSITS

0.00

CLOSING LEDGER AS OF 27 JUN 01

2,056,160.13

351,884.74
(7,508.19)

344,316.55

DEPOSIT LIST

| DEPOSIT-NO | DATE | AMOUNT | DEPOSIT-NO | DATE | AMOUNT |
|------------|-------|----------------|------------|-------|-----------------|
| | 05/29 | (A) 8,164.92 ✓ | | 05/29 | (A) 15,317.35 ✓ |
| | 06/04 | 4,004.69 ✓ | | 06/04 | 93,930.50 ✓ |
| | 06/11 | 325.00 ✓ | | 06/14 | 1,300.00 ✓ |
| | 06/14 | 198,018.79 ✓ | | 06/15 | 15,853.94 ✓ |
| | 06/19 | 6,117.17 ✓ | | 06/21 | 20,164.34 ✓ |
| | 06/25 | 71,865.36 ✓ | | | |

(A) = 23,482.27

CHECK LIST

| SERIAL-NUM | DATE | AMOUNT | SERIAL-NUM | DATE | AMOUNT |
|------------|-------|-------------|------------|-------|------------|
| 15051 | 06/04 | 75,187.99 ✓ | 15053 | 05/29 | 1,122.17 ✓ |
| 15056 | 06/04 | 67,595.28 ✓ | 15057 | 05/30 | 510.00 ✓ |
| 15058 | 05/29 | 20.98 ✓ | 15059 | 05/30 | 200.00 ✓ |
| 15060 | 05/29 | 7,081.02 | 15061 | 05/29 | 3,000.00 |
| 15062 | 05/31 | 500.00 | 15063 | 06/01 | 19.25 |
| 15066 | 06/06 | 191.16 | 15067 | 05/31 | 425.00 |
| 15068 | 05/30 | 8,608.72 | 15069 | 06/05 | 300.00 |

DAREX PR

0/300153/011

AS OF: 27 JUN 01

PAGE 2 OF 3

CHECK LIST

| SERIAL-NUM | DATE | AMOUNT | SERIAL-NUM | DATE | AMOUNT |
|------------|-------|----------|------------|-------|------------|
| 15073 | 06/01 | 6,384.95 | 15077 | 06/05 | 79,548.97 |
| 15078 | 06/12 | 324.00 | 15079 | 06/07 | 272.85 |
| 15080 | 06/18 | 151.20 | 15082 | 06/12 | 175.00 |
| 15083 | 06/14 | 224.50 | 15084 | 06/13 | 68.00 |
| 15085 | 06/11 | 250.02 | 15086 | 06/13 | 8,608.72 |
| 15088 | 06/05 | 1,400.00 | 15089 | 06/06 | 185.00 |
| 15093 ✓ | 06/15 | 276.00 | 15097 ✓ | 06/14 | 3,850.29 |
| 15098 ✓ | 06/14 | 1,166.90 | 15099 ✓ | 06/21 | 73,030.86 |
| 15100 ✓ | 06/13 | 400.00 | 15101 ✓ | 06/25 | 3,000.00 |
| 15102 ✓ | 06/13 | 185.97 | 15103 ✓ | 06/15 | 51.75 |
| 101135 | 05/30 | 208.37 | 101136 | 05/30 | 822.50 |
| 101138 | 05/30 | 956.74 | 101139 | 05/31 | 1,059.93 |
| 101140 | 06/14 | 822.51 ✓ | 101141 | 06/15 | 1,681.47 ✓ |
| 101142 | 06/14 | 956.74 ✓ | 101143 | 06/15 | 1,059.93 ✓ |

= 3,047.52
= 4520.65

DESCRIPTIVE ITEMS

Total, 7508.19

| DATE | TRANSACTION DESCRIPTION | SERIAL-NO | DEBITS | CREDITS | BALANCE |
|-------|--------------------------------|-----------|------------|------------|--------------|
| 05/26 | OPENING BALANCE | | | | 1,976,370.14 |
| 05/29 | TOTAL CHECKS PAID | | 11,224.17 | | |
| 05/29 | TOTAL DEPOSITS | | | 23,482.27 | 1,988,628.24 |
| 05/30 | TOTAL CHECKS PAID | | 11,306.33 | | 1,977,321.91 |
| 05/31 | TOTAL CHECKS PAID | | 1,984.93 | | 1,975,336.98 |
| 06/01 | TOTAL CHECKS PAID | | 6,404.20 | | 1,968,932.78 |
| 06/04 | TOTAL CHECKS PAID | | 142,783.27 | | |
| 06/04 | TOTAL DEPOSITS | | | 57,935.19 | 1,924,084.70 |
| 06/05 | TOTAL CHECKS PAID | | 81,248.97 | | 1,842,835.73 |
| 06/06 | TOTAL CHECKS PAID | | 376.16 | | 1,842,459.57 |
| 06/07 | TOTAL CHECKS PAID | | 272.85 | | 1,842,186.72 |
| 06/11 | NAME: BNF CTS | | 1,693.67 ✓ | | |
| | ENTRY DESC: PR TAXES | | | | |
| | INDIVIDUAL ID: C3953-009230511 | | | | |
| 06/11 | TOTAL CHECKS PAID | | 250.02 | | |
| 06/11 | TOTAL DEPOSITS | | | 325.00 | 1,840,568.03 |
| 06/12 | TOTAL CHECKS PAID | | 499.00 | | 1,840,069.03 |
| 06/13 | TOTAL CHECKS PAID | | 9,262.69 | | 1,830,806.34 |
| 06/14 | TOTAL CHECKS PAID | | 7,020.94 | | |
| 06/14 | TOTAL DEPOSITS | | | 199,318.79 | 2,023,104.19 |
| 06/15 | TOTAL CHECKS PAID | | 3,069.15 | | |
| 06/15 | TOTAL DEPOSITS | | | 15,853.94 | 2,035,888.98 |
| 06/18 | TOTAL CHECKS PAID | | 151.20 | | 2,035,737.78 |
| 06/19 | TOTAL DEPOSITS | | | 6,117.17 | 2,041,854.95 |
| 06/21 | TOTAL CHECKS PAID | | 73,030.86 | | |
| 06/21 | TOTAL DEPOSITS | | | 20,164.34 | 1,988,988.43 |

DAREX PR

0/300153/011

AS OF: 27 JUN 01

PAGE 3 OF 3

D E S C R I P T I V E I T E M S

| DATE | TRANSACTION DESCRIPTION | SERIAL-NO | DEBITS | CREDITS | BALANCE |
|-------|--------------------------------|-----------|------------|-----------|--------------|
| 06/25 | NAME: BNF CTS | | 1,693.66 ✓ | | |
| | ENTRY DESC: PR TAXES | | | | |
| | INDIVIDUAL ID: C3953-009283232 | | | | |
| 06/25 | TOTAL CHECKS PAID | | 3,000.00 | | |
| 06/25 | TOTAL DEPOSITS | | | 71,865.36 | 2,056,160.13 |
| 06/27 | CLOSING BALANCE | | | | 2,056,160.13 |

ANY ERROR OR OMISSION ON THIS STATEMENT MUST BE NOTIFIED IN WRITING TO THE ATTENTION OF THE CONTROL DIVISION WITHIN THIRTY (30) DAYS FROM MAILING DATE. FAILURE TO DO SO WILL SIGNIFY THAT THE STATEMENT IS CORRECT.

Total TXs = 3,387.33 ✓✓

FIRST NATIONAL BANK OF MONTANA
 514 MINERAL AVENUE
 LIBBY, MONTANA 59923
 PHONE: 406-293-0280



ACCOUNT STATEMENT

30-1
 0
 1

KOOTENAI DEVELOPMENT COMPANY
 PO BOX 695
 LIBBY MT 59923-1055

Business Checking
 ACCOUNT: 1049097

06/01/01 THRU 06/29/01
 DOCUMENT COUNT: 1
 PAGE: 1

OUR TOLL FREE CUSTOMER SERVICE CENTER NUMBER 1-800-824-2692

=====

Business Checking ACCOUNT 1049097

=====

| DESCRIPTION | DEBITS | CREDITS | DATE | BALANCE |
|------------------------------|------------|-----------------------|----------|-----------|
| BALANCE LAST STATEMENT | | | 05/31/01 | 41,326.68 |
| CHECK # 1185 | 1,732.93 | | 06/18/01 | 39,593.75 |
| BALANCE THIS STATEMENT | | | 06/29/01 | 39,593.75 |
| TOTAL CREDITS (0) | .00 | MINIMUM BALANCE | | 39,593.75 |
| TOTAL DEBITS (1) | 1,732.93 | AVG AVAILABLE BALANCE | | 40,609.60 |
| TAX ID NUMBER | 81-0495013 | AVERAGE BALANCE | | 40,609.60 |

=====

YOUR CHECKS SEQUENCED

=====

| DATE... | CHECK #... | AMOUNT | DATE... | CHECK #... | AMOUNT | DATE... | CHECK #... | AMOUNT |
|---------|------------|----------|---------|------------|--------|---------|------------|--------|
| 06/18 | 1185 | 1,732.93 | | | | | | |

=====

CERTIFICATES OF DEPOSIT

=====

| CERTIFICATE NUMBER | INTEREST RATE | MATURITY DATE | NEXT INT DATE | NEXT INT AMOUNT | INTEREST PAID 2001 | CURRENT BALANCE |
|--------------------|---------------|---------------|---------------|-----------------|--------------------|-----------------|
| 115386 | 4.3000 | 08/22/01 | 08/21/01B | 260.55 | .00 | 6,059.40 |
| *TOTAL* | 4.3000 | | | | .00 | 6,059.40 |

(B) INTEREST WILL BE PAID BY COMPOUNDING

Federal Income Tax Returns

U.S. Corporation Income Tax Return

OMB No. 1545-0123

Form 1120

For calendar year 2000 or tax year beginning 7/14/00, ending 12/31/00

2000

Department of the Treasury
Internal Revenue Service

Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

| | | | |
|--|--|---|--|
| A Check if a: 1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (as defined in Temporary Regs. sec. 1.441-4T-see instructions) <input type="checkbox"/> | | Use IRS label. Otherwise, print or type. Name Number, street, & room or suite no. City or town, state, and ZIP code KOOTENAI DEVELOPMENT COMPANY 317 MINERAL AVENUE P.O. BOX 695 LIBBY MT 59923 | B Employer identification number 81-0495013 C Date incorporated 8/24/94 D Total assets (see page 8 of instructions) \$ 51,518 |
| E Check applicable boxes: (1) <input checked="" type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Change of address | | | |

| | | | | | | | | | | |
|---|--|---|--------|-----|------------------------|--|--------|-----|--------|--------|
| Income | 1a | Gross rcpt./sales | 16,829 | b | Less rtn. & allowances | | c | Bal | 1c | 16,829 |
| | 2 | Cost of goods sold (Schedule A, line 8) | | | | | | | 2 | |
| | 3 | Gross profit. Subtract line 2 from line 1c | | | | | | | 3 | 16,829 |
| | 4 | Dividends (Schedule C, line 19) | | | | | | | 4 | |
| | 5 | Interest | | | | | | | 5 | 65 |
| | 6 | Gross rents | | | | | | | 6 | |
| | 7 | Gross royalties | | | | | | | 7 | |
| | 8 | Capital gain net income (attach Sch. D (Form 1120)) | | | | | | | 8 | |
| | 9 | Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797) | | | | | | | 9 | |
| | 10 | Other income (see page 8 of instructions-attach schedule) | | | | | STMT 1 | | 10 | 6,074 |
| | 11 | Total income. Add lines 3 through 10 | | | | | | | 11 | 22,968 |
| Deductions (See instructions for limitations.) | 12 | Compensation of officers (Schedule E, line 4) | | | | | | | 12 | |
| | 13 | Salaries and wages (less employment credits) | | | | | | | 13 | |
| | 14 | Repairs and maintenance | | | | | | | 14 | |
| | 15 | Bad debts | | | | | | | 15 | |
| | 16 | Rents | | | | | | | 16 | |
| | 17 | Taxes and licenses | | | | | | | 17 | 3,107 |
| | 18 | Interest | | | | | | | 18 | |
| | 19 | Charitable contributions (see page 11 of instructions for 10% limitation) | | | | | | | 19 | |
| | 20 | Depreciation (attach Form 4562) | | 20 | | | | | | |
| | 21 | Less depreciation claimed on Schedule A and elsewhere on return | | 21a | | | | | 21b | |
| | 22 | Depletion | | | | | | | 22 | |
| | 23 | Advertising | | | | | | | 23 | |
| | 24 | Pension, profit-sharing, etc., plans | | | | | | | 24 | |
| | 25 | Employee benefit programs | | | | | | | 25 | |
| 26 | Other deductions (attach schedule) | | | | | | | 26 | | |
| 27 | Total deductions. Add ln. 12 through 26 | | | | | | | 27 | 3,107 | |
| 28 | Taxable income before net operating loss deduction & special deductions. Subtract line 27 from ln. 11 | | | | | | | 28 | 19,861 | |
| 29 | Less: a Net operating loss (NOL) deduction (see page 13 of instr.) | | 29a | | | | | | | |
| | b Special deductions (Schedule C, line 20) | | 29b | | | | | 29c | | |
| Tax and Payments | 30 | Taxable income. Subtract line 29c from line 28 | | | | | | | 30 | 19,861 |
| | 31 | Total tax (Schedule J, line 11) | | | | | | | 31 | 2,979 |
| | 32 | Payments: a 1999 overpayment credited to 2000 | 32a | | | | | | | |
| | b | 2000 estimated tax payments | 32b | | | | | | | |
| | c | Less 2000 refund applied for on Form 4466 | 32c | | | | | | | |
| | d | Bal | 32d | | | | | | | |
| | e | Tax deposited with Form 7004 | 32e | | | | | | | |
| | f | Credit for tax paid on undistributed capital gains (attach Form 2439) | 32f | | | | | | | |
| | g | Credit for Federal tax on fuels (attach Form 4136). See instructions | 32g | | | | | 32h | | |
| | 33 | Estimated tax penalty (see page 14 of instructions). Check if Form 2220 is attached <input checked="" type="checkbox"/> | | | | | | 33 | 163 | |
| | 34 | Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed | | | | | | 34 | 3,142 | |
| 35 | Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid | | | | | | 35 | | | |
| 36 | Enter amt. of line 35 you want: Credited to 2001 est. tax <input type="checkbox"/> Refunded <input type="checkbox"/> | | | | | | 36 | | | |

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

ALAN STRINGER

Date

7/14/01

Title

PRESIDENT

Preparer's signature

[Signature]

Date

7/10/01

Check if self-employed

Preparer's SSN or PTIN

468-58-4297

Preparer's Use Only

Firm's name (or yours if self-employed)

EDWARD G. STAMY, C.P.A., P.C.

EIN

81-0481101

address, and ZIP code

LIBBY, MT

59923

Phone no.

406-293-2733

7/15 INT

90

FTP

60 TOT

3,292

Form 1120 (2000)

DAA

Schedule A Cost of Goods Sold (See page 14 of instructions.)

| | | | |
|---|---|---|--|
| 1 | Inventory at beginning of year | 1 | |
| 2 | Purchases | 2 | |
| 3 | Cost of labor | 3 | |
| | Additional section 263A costs (attach schedule) | 4 | |
| 5 | Other costs (attach schedule) | 5 | |
| 6 | Total. Add lines 1 through 5 | 6 | |
| 7 | Inventory at end of year | 7 | |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and on line 2, page 1 | 8 | |

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

Schedule C Dividends and Special Deductions (See page 15 of instructions.)

| | (a) Dividends received | (b) % | (c) Special deductions (a) x (b) |
|----|--|------------|----------------------------------|
| 1 | Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock) | 70 | |
| 2 | Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock) | 80 | |
| 3 | Dividends on debt-financed stock of domestic & foreign corporations (section 246A) | see instr. | |
| 4 | Dividends on certain preferred stock of less-than-20%-owned public utilities | 42 | |
| 5 | Dividends on certain preferred stock of 20%-or-more-owned public utilities | 48 | |
| | Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction | 70 | |
| 7 | Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction | 80 | |
| 8 | Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b)) | 100 | |
| 9 | Total. Add lines 1 through 8. See page 16 of instructions for limitation | | |
| 10 | Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 | 100 | |
| 11 | Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1)) | 100 | |
| 12 | Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3)) | 100 | |
| 13 | Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11 | | |
| 14 | Income from controlled foreign corporations under subpart F (att. Form(s) 5471) | | |
| 15 | Foreign dividend gross-up (section 78) | | |
| 16 | IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d)) | | |
| 17 | Other dividends | | |
| 18 | Deduction for dividends paid on certain preferred stock of public utilities | | |
| 19 | Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1 | | |
| 20 | Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1 | | |

Schedule E Compensation of Officers (See instructions for line 12, page 1.)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1, Form 1120) are \$500,000 or more.

| (a) Name of officer | (b) Social security number | (c) Percent of time devoted to business | Percent of corporation stock owned | | (f) Amount of compensation |
|---------------------|---|---|------------------------------------|---------------|----------------------------|
| | | | (d) Common | (e) Preferred | |
| 1 | | % | % | % | |
| | | % | % | % | |
| | | % | % | % | |
| | | % | % | % | |
| | | % | % | % | |
| 2 | Total compensation of officers | | | | |
| 3 | Compensation of officers claimed on Schedule A and elsewhere on return | | | | |
| 4 | Subtract line 3 from line 2. Enter the result here and on line 12, page 1 | | | | |

Schedule J Tax Computation (See page 17 of instructions.)

| | | | |
|--|---|---|-------|
| 1 Check if the corporation is a member of a controlled group (see sections 1561 and 1563) <input type="checkbox"/> | | | |
| Important: Members of a controlled group, see instructions on page 17. | | | |
| 2 If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): | | | |
| (1) \$ | (2) \$ | (3) \$ | |
| b Enter the corporation's share of: | | (1) Additional 5% tax (not more than \$11,750) | \$ |
| | | (2) Additional 3% tax (not more than \$100,000) | \$ |
| 3 | Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see page 17) <input type="checkbox"/> | 3 | 2,979 |
| 4 | Alternative minimum tax (attach Form 4626) | 4 | |
| 5 | Add lines 3 and 4 | 5 | 2,979 |
| 6a | Foreign tax credit (attach Form 1118) | 6a | |
| b | Possessions tax credit (attach Form 5735) | 6b | |
| c | Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (att. Form 8834) | 6c | |
| d | General business credit. Enter here & check which forms are att.: <input type="checkbox"/> 3800 | 6d | |
| | <input type="checkbox"/> 3468 <input type="checkbox"/> 5884 <input type="checkbox"/> 6478 <input type="checkbox"/> 6765 <input type="checkbox"/> 8586 <input type="checkbox"/> 8830 <input type="checkbox"/> 8826 | 6e | |
| | <input type="checkbox"/> 8835 <input type="checkbox"/> 8844 <input type="checkbox"/> 8845 <input type="checkbox"/> 8846 <input type="checkbox"/> 8820 <input type="checkbox"/> 8847 <input type="checkbox"/> 8861 | 6f | |
| e | Credit for prior year minimum tax (attach Form 8827) | | |
| f | Qualified zone academy bond credit (attach Form 8860) | | |
| 7 | Total credits. Add lines 6a through 6f | 7 | 0 |
| 8 | Subtract line 7 from line 5 | 8 | 2,979 |
| 9 | Personal holding company tax (attach Schedule PH (Form 1120)) | 9 | |
| 10 | Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 | 10 | |
| 11 | Total tax. Add lines 8 through 10. Enter here and on line 31, page 1 | 11 | 2,979 |

Schedule K Other Information (See page 19 of instructions.)

| | | | | | | | |
|----|--|-----|----|--|--|--|---|
| 1 | Check method of accounting: a <input checked="" type="checkbox"/> Cash | Yes | No | | | | |
| | b <input type="checkbox"/> Accrual | | | | | | |
| | c <input type="checkbox"/> Other (specify) ▶ | | | | | | |
| 2 | See page 21 of the instructions and enter the: | | | | | | |
| | Business activity code no. ▶ 233110 | | | | | | |
| | Business activity ▶ LAND DEVELOPMENT | | | | | | |
| | c Product or service ▶ REAL ESTATE | | | | | | |
| 3 | At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) | | | | | | |
| | If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year. | | | | | | |
| 4 | Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? | | | | | | |
| | If "Yes," enter name and EIN of the parent corporation ▶ | | | | | | |
| 5 | At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) | | | | | | |
| | If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned ▶ | | | | | | |
| 6 | During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) | | | | | | |
| | | | | | | | |
| 7 | At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? | | | | | | |
| | If "Yes," | | | | | | |
| | a Enter percentage owned | | | | | | |
| | b Enter owner's country ▶ | | | | | | |
| | c The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached ▶ | | | | | | |
| 8 | Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> | | | | | | |
| | If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. | | | | | | |
| 9 | Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ | | | | | | 0 |
| 10 | Enter the number of shareholders at the end of the tax year (if 75 or fewer) ▶ | | | | | | |
| 11 | If the corp. has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/> | | | | | | |
| 12 | Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ▶ \$ | | | | | | |

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

| Schedule L Balance Sheets per Books | | Beginning of tax year | | End of tax year | |
|--------------------------------------|---|-----------------------|--------|-----------------|--------|
| Assets | | (a) | (b) | (c) | (d) |
| 1 | Cash | | 25,663 | | 45,459 |
| 2a | Trade notes and accounts receivable | | | | |
| | Less allowance for bad debts | | | | |
| 3 | Inventories | | | | |
| 4 | U.S. government obligations | | | | |
| 5 | Tax-exempt securities (see instructions) | | | | |
| 6 | Other current assets | | | | |
| 7 | Loans to shareholders | | | | |
| 8 | Mortgage and real estate loans | | | | |
| 9 | Other investments | | | | |
| 10a | Buildings and other depreciable assets | 402 | | | |
| b | Less accumulated depreciation | 402 | 0 | | |
| 11a | Depletable assets | | | | |
| b | Less accumulated depletion | | | | |
| 12 | Land (net of any amortization) | | | | |
| 13a | Intangible assets (amortizable only) | 52 | | | |
| b | Less accumulated amortization | 52 | 0 | | |
| 14 | Other assets (attach sch.) STMT 2 | | 5,994 | | 6,059 |
| 15 | Total assets | | 31,657 | | 51,518 |
| Liabilities and Shareholder's Equity | | | | | |
| 16 | Accounts payable | | | | |
| 17 | Mortgages, notes, bonds payable in less than 1 year | | | | |
| 18 | Other current liabilities | | | | |
| 19 | Loans from shareholders | | | | |
| 20 | Mortgages, notes, bonds payable in 1 year or more | | | | |
| 21 | Other liabilities (att. sch.) | | | | |
| 22 | Capital stock: a Preferred stock | | | | |
| | b Common stock | | | | |
| | Additional paid-in capital | | | | |
| 24 | Retained earnings-Appropriated | | | | |
| 25 | Retained earnings-Unappropriated | | 31,657 | | 51,518 |
| 26 | Adjustments to S/H equity | | | | |
| 27 | Less cost of treasury stock | | | | |
| 28 | Total liabilities and shareholders' equity | | 31,657 | | 51,518 |

Note: The corporation is not required to complete Schedules M-1 and M-2 if the total assets on line 15, col. (d) of Schedule L are less than \$25,000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (See page 20 of instructions.)

| | | | | | |
|---|---|--------|----|--|--------|
| 1 | Net income (loss) per books | 19,861 | 7 | Income recorded on books this year not included on this return (itemize): | |
| 2 | Federal income tax | | | Tax-exempt interest \$ | |
| 3 | Excess of capital losses over capital gains | | | | |
| 4 | Income subject to tax not recorded on books this year (itemize): | | | | |
| 5 | Expenses recorded on books this year not deducted on this return (itemize): | | 8 | Deductions on this return not charged against book income this year (itemize): | |
| a | Depreciation \$ | | a | Depreciation \$ | |
| b | Contributions carryover \$ | | b | Contributions carryover \$ | |
| c | Travel and entertainment \$ | | | | |
| | | | | | |
| 6 | Add lines 1 through 5 | 19,861 | 9 | Add lines 7 and 8 | |
| | | | 10 | Income (line 28, page 1)-line 6 less line 9 | 19,861 |

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

| | | | | | |
|---|------------------------------|--------|---|---|--------|
| 1 | Balance at beginning of year | 31,657 | 5 | Distributions: a Cash | |
| 2 | Net income (loss) per books | 19,861 | | b Stock | |
| | Other increases (itemize): | | | c Property | |
| | | | 6 | Other decreases (itemize): | |
| | | | 7 | Add lines 5 and 6 | |
| 4 | Add lines 1, 2, and 3 | 51,518 | 8 | Balance at end of year (line 4 less line 7) | 51,518 |

Form **2220****Underpayment of Estimated Tax by Corporations**

OMB No. 1545-0142

Department of the Treasury
Internal Revenue Service

▶ Instructions are separate. See page 4 for Paperwork Reduction Act Notice.

▶ Attach to the corporation's tax return.

2000

Name

OTENAI DEVELOPMENT COMPANY

Employer identification number

81-0495013

Notes: In most cases, the corporation does not need to file Form 2220. (See Part I below for exceptions.) The IRS will figure any penalty owed and bill the corporation. If the corporation does not need to file Form 2220, it may still use it to figure the penalty. Enter the amount from line 34 on the estimated tax penalty line of the corporation's income tax return, but do not attach Form 2220.

Part I **Reasons For Filing**- Check the boxes below that apply to the corporation. If any boxes are checked, the corporation must file Form 2220, even if it does not owe the penalty. If the box on line 1 or line 2 applies, the corporation may be able to lower or eliminate the penalty. See page 1 of the instructions.

- 1 ☐ The corporation is using the annualized income installment method.
 2 ☐ The corporation is using the adjusted seasonal installment method.
 3 ☐ The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Note: The corporation also must file Form 2220 if it has a research credit allowed for the current year. See the instructions for line 4 on page 2.

Part II Figuring the Underpayment

| | | | | | | |
|-----------|--|-----------|-----------------------|----------------|----------------|-----------------|
| 4 | Total tax (see page 2 of the instructions) | 4 | 2,979 | | | |
| 5a | Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4 | 5a | | | | |
| b | Interest included on line 4 due under the look-back method of section 460(b)(2) for completed long-term contracts or of section 167(g) for property depreciated under the income forecast method | 5b | | | | |
| c | Credit for Federal tax paid on fuels (see page 2 of the instructions) | 5c | | | | |
| d | Total. Add lines 5a through 5c | 5d | | | | |
| 6 | Subtract line 5d from line 4. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty | 6 | 2,979 | | | |
| | Enter the tax shown on the corporation's 1999 income tax return. Caution: See page 2 of the instructions before completing this line | 7 | NOT APPLICABLE | | | |
| 8 | Enter the smaller of line 6 or line 7. If the corporation must skip line 7, enter the amount from line 6 on line 8 | 8 | 2,979 | | | |
| 9 | Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Enter 5th month), 6th, 9th, and 12th months of the corporation's tax year | (a) | (b) | (c) | (d) | |
| | | 9 | 4/17/00 | 6/15/00 | 9/15/00 | 12/15/00 |
| 10 | Required installments. If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, line 41. If the box on line 3 (but not 1 or 2) is checked, see page 3 of the instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 8 above in each column | 10 | 744 | 745 | 745 | 745 |
| 11 | Estimated tax paid or credited for each period (see page 3 of the instructions). For column (a) only, enter the amount from line 11 on line 15 | 11 | | | | |
| | Complete lines 12 through 18 of one column before going to the next column. | 12 | | | | |
| 12 | Enter amount, if any, from line 18 of the preceding column | 12 | | | | |
| 13 | Add lines 11 and 12 | 13 | | | | |
| 14 | Add amounts on lines 16 and 17 of the preceding column | 14 | | 744 | 1,489 | 2,234 |
| 15 | Subtract line 14 from line 13. If zero or less, enter -0- | 15 | 0 | 0 | 0 | 0 |
| 16 | If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0- | 16 | | 744 | 1,489 | |
| 17 | Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18 | 17 | 744 | 745 | 745 | 745 |
| 18 | Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column | 18 | | | | |

Complete Part III on page 2 to figure the penalty. If there are no entries on line 17, no penalty is owed.

Part III Figuring the Penalty

| | (a) | (b) | (c) | (d) |
|--|-----|---------------|-----|-----|
| 19 Enter the date of payment or the 15th day of the 3rd month er the close of the tax year, whichever is earlier (see page 3 of the instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.) | 19 | SEE WORKSHEET | | |
| 20 Number of days from due date of installment on line 9 to the date shown on line 19 | 20 | | | |
| 21 Number of days on line 20 after 4/15/2000 and before 1/1/2001 | 21 | | | |
| 22 Underpayment on line 17 x $\frac{\text{Number of days on line 21}}{365}$ x 8% | 22 | \$ | \$ | \$ |
| 23 Number of days on line 20 after 12/31/2000 & before 4/1/2001 | 23 | | | |
| 24 Underpayment on line 17 x $\frac{\text{Number of days on line 23}}{365}$ x 8% | 24 | \$ | \$ | \$ |
| 25 Number of days on line 20 after 3/31/2001 & before 7/1/2001 | 25 | | | |
| 26 Underpayment on line 17 x $\frac{\text{Number of days on line 25}}{365}$ x 9% | 26 | \$ | \$ | \$ |
| 27 Number of days on line 20 after 6/30/2001 & before 10/1/2001 | 27 | | | |
| 28 Underpayment on line 17 x $\frac{\text{Number of days on line 27}}{365}$ x * | 28 | \$ | \$ | \$ |
| 29 Number of days on line 20 after 9/30/2001 and before 1/1/2002 | 29 | | | |
| 30 Underpayment on line 17 x $\frac{\text{Number of days on line 29}}{365}$ x * | 30 | \$ | \$ | \$ |
| 31 Number of days on line 20 after 12/31/2001 & before 2/16/2002 | 31 | | | |
| 32 Underpayment on line 17 x $\frac{\text{Number of days on line 31}}{365}$ x * | 32 | \$ | \$ | \$ |
| 33 Add lines 22, 24, 26, 28, 30, and 32 | 33 | \$ | \$ | \$ |
| 34 Penalty. Add columns (a) through (d), of line 33. Enter the total here and on Form 1120, line 33; Form 1120-A, line 29; or the comparable ln. for other inc. tax returns | 34 | \$ | | 163 |

***For underpayments paid after March 31, 2001:** For lines 26, 28, 30, and 32, use the penalty interest rate for each calendar quarter that the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS Web Site at www.irs.gov. You can also call 1-800-829-1040 to get interest rate information.

| | | | | | |
|---|--|---|---------------------------|----------------------------|----------|
| Form 2220 | For calendar year 2000 or tax year beginning 7/14/00 ending 12/31/00 | 2000 | | | |
| Name OTENAI DEVELOPMENT COMPANY | | Employer Identification Number 81-0495013 | | | |
| Due date of estimated payment | 1st Qtr 4/17/00 | 2nd Qtr 6/15/00 | 3rd Qtr 9/15/00 | 4th Qtr 12/15/00 | |
| Amount of underpayment | 744 | 745 | 745 | 745 | |
| Date of payment | 1st Pymt | 2nd Pymt | 3rd Pymt | 4th Pymt | 5th Pymt |
| Amount of payment | | | | | |

| QTR | FROM | TO | UNDERPAYMENT | #DAYS | RATE | PENALTY |
|---------------|----------|----------|--------------|-------|------|---------|
| 1 | 4/15/00 | 12/31/00 | 744 | 260 | 9.00 | 48 |
| 1 | 12/31/00 | 3/15/01 | 744 | 74 | 9.00 | 14 |
| 2 | 6/15/00 | 12/31/00 | 745 | 199 | 9.00 | 36 |
| 2 | 12/31/00 | 3/15/01 | 745 | 74 | 9.00 | 14 |
| 3 | 9/15/00 | 12/31/00 | 745 | 107 | 9.00 | 20 |
| 3 | 12/31/00 | 3/15/01 | 745 | 74 | 9.00 | 14 |
| 4 | 12/15/00 | 12/31/00 | 745 | 16 | 9.00 | 3 |
| 4 | 12/31/00 | 3/15/01 | 745 | 74 | 9.00 | 14 |
| TOTAL PENALTY | | | | | | 163 |
| | | | | | | ===== |

81-0495013

Federal Statements

EYE: 12/31/2000

General Footnote

ON 7/14/00 W.R. GRACE & CO-CONN. (A PUBLICLY HELD CORPORATION) PURCHASED 333.333 SHARES OF THE 500 OUTSTANDING SHARES OF KOOTENAI DEVELOPMENT COMPANY, THUS CAUSING TERMINATION OF IT'S S CORPORATION ELECTION. INCOME AND EXPENSES FROM 1/1/00 - 7/14/00 WERE REPORTED ON FORM 1120S. ANY SUBSEQUENT TRANSACTIONS (IE. 7/15-12/31/00) ARE REPORTED AS A C CORPORATION ON THIS RETURN (FORM 1120).

81-0495013

Federal Statements

FYE: 12/31/2000

Statement 1 - Form 1120, Page 1, Line 10 - Other Income

| Description | Amount |
|----------------------|----------|
| REFUND OF LEGAL FEES | \$ 6,074 |
| TOTAL | \$ 6,074 |

81-0495013

Federal Statements

EYE: 12/31/2000

Statement 2 - Form 1120, Page 4, Schedule L, Line 14 - Other Assets

| <u>Description</u> | <u>Beginning of Year</u> | <u>End of Year</u> |
|--------------------|------------------------------|------------------------|
| RECLAMATION BOND | \$ 5,994 | \$ 6,059 |
| TOTAL | <u>\$ 5,994</u> | <u>\$ 6,059</u> |

Form **1120****2000**For calendar year 2000 or tax year beginning **7/14/00**, ending **12/31/00**

Name

Employer Identification Number

OTENAI DEVELOPMENT COMPANY**81-0495013**

| Net Capital Loss | | Prior Year | | Current Year | | Next Year |
|--|-------------------------|-------------------------------------|------------------------|---------------------|--------------------------|------------------------|
| Preceding Tax Year | Net Capital Gain/(Loss) | Loss Utilized or CIB (Gains Offset) | Capital Loss Carryover | Carryovers Utilized | Gain Offset By Carryback | Capital Loss Carryover |
| 5th 12/31/95 | | | | | | |
| 4th 12/31/96 | | | | | | |
| 3rd 12/31/97 | | | | | | |
| 2nd 12/31/98 | | | | | | |
| 1st 12/31/99 | | | | | | |
| Capital Loss Carryover Available To Current Year | | | 0 | | | |
| Current Year | | | 0 | | | 0 |
| Capital Loss Carryover Available To Next Year | | | | | | 0 |

| Section 1231 Losses | | Prior Year | | Current Year | Next Year |
|---|-----------|------------|--------------|-------------------------|--------------|
| Preceding Tax Year | 1231 Loss | Recaptured | Unrecaptured | Prior Losses Recaptured | Unrecaptured |
| 5th 12/31/95 | | | | | |
| 4th 12/31/96 | | | | | |
| 3rd 12/31/97 | | | | | |
| 2nd 12/31/98 | | | | | |
| 1st 12/31/99 | | | | | |
| 1231 Losses Available for Recapture in Current Year | | | 0 | | |
| Current Year | | | 0 | | 0 |
| 1231 Losses Available for Recapture in Next Year | | | | | 0 |

| General Business Credit | | Prior Year | | Current Year | | Next Year |
|--|---|--------------------------------------|------------------|---------------------|-------------------------|------------------|
| Preceding Tax Year | Tax > than Credits (Credits > than Tax) | (Tax Offset by CIB) Credits Utilized | Credit Carryover | Carryovers Utilized | Tax Offset By Carryback | Credit Carryover |
| 15th 12/31/85 | | | | | | |
| 14th 12/31/86 | | | | | | |
| 13th 12/31/87 | | | | | | |
| 12th 12/31/88 | | | | | | |
| 11th 12/31/89 | | | | | | |
| 10th 12/31/90 | | | | | | |
| 9th 12/31/91 | | | | | | |
| 8th 12/31/92 | | | | | | |
| 7th 12/31/93 | | | | | | |
| 6th 12/31/94 | | | | | | |
| 5th 12/31/95 | | | | | | |
| 4th 12/31/96 | | | | | | |
| 3rd 12/31/97 | | | | | | |
| 2nd 12/31/98 | | | | | | |
| 1st 12/31/99 | | | | | | |
| General Bus. Credit Carryover To Current Year | | | 0 | | | |
| Current Year | | | 2,979 | | | 0 |
| General Business Credit Carryover Available To Next Year | | | | | | 0 |

Do not file this form unless the corporation has timely filed

Form 2553 to elect to be an S corporation.

See separate instructions.

2000

Department of the Treasury
Internal Revenue Service

For calendar year 2000, or tax year beginning and ending

| | | | |
|--|--|---|---|
| Effective date of election as an S corporation 12/04/94 | Use IRS label. Otherwise, print or type. | Name KOOTENAI DEVELOPMENT COMPANY | C Employer identification no. 81-0495013 |
| B Business code no. (see pages 29-31) 233110 | | 317 MINERAL AVENUE P.O. BOX 695 | D Date incorporated 8/24/94 |
| | | City or town, state, and ZIP code LIBBY MT 59923 | E Total assets (see page 11) \$ 31,657 |

F Check applicable boxes: (1) ☐ Initial return (2) ☒ Final return (3) ☐ Change in address (4) ☒ Amended return

G Enter number of shareholders in the corporation at end of the tax year 2

Caution: Include only trade or business income and expenses on lines 1a through 21. See page 11 of the instructions for more information.

| | | | | | | | | | |
|---|--|---|---------|-----|---------------------------|--|---|---------|---------|
| Income | 1a | Gross receipts/sales | 141,673 | b | Less returns & allowances | | c | Balance | 141,673 |
| | 2 | Cost of goods sold (Schedule A, line 8) | | | | | | | 98,350 |
| | 3 | Gross profit. Subtract line 2 from line 1c | | | | | | | 43,323 |
| | 4 | Net gain (loss) from Form 4797, Part II, line 18 (attach Form 4797) | | | | | | | |
| | 5 | Other income (loss) (attach schedule) | | | STMT 1 | | | | 100 |
| | 6 | Total income (loss). Combine lines 3 through 5 | | | | | | | 43,423 |
| Deductions (see page 12 of the instructions) | 7 | Compensation of officers | | | | | | | |
| | 8 | Salaries and wages (less employment credits) | | | | | | | 564 |
| | 9 | Repairs and maintenance | | | | | | | |
| | 10 | Bad debts | | | | | | | |
| | 11 | Rents | | | | | | | |
| | 12 | Taxes and licenses | | | | | | | 3,328 |
| | 13 | Interest | | | | | | | |
| | 14a | Depreciation (if required, attach Form 4562) | | 14a | | | | | |
| | b | Depreciation claimed on Schedule A and elsewhere on return | | 14b | | | | | |
| | c | Subtract line 14b from line 14a | | | | | | | |
| Tax and Payments | 15 | Depletion (Do not deduct oil and gas depletion.) | | | | | | | |
| | 16 | Advertising | | | | | | | |
| | 17 | Pension, profit-sharing, etc., plans | | | | | | | |
| | 18 | Employee benefit programs | | | | | | | |
| | 19 | Other deductions (attach schedule) | | | STMT 2 | | | | 21,306 |
| | 20 | Total deductions. Add the amounts shown in the far right column for lines 7 through 19 | | | | | | | 25,198 |
| | 21 | Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6 | | | | | | | 18,225 |
| | 22 | Tax: a Excess net passive income tax (attach sch.) | | 22a | | | | | |
| | b | Tax from Schedule D (Form 1120S) | | 22b | | | | | |
| | c | Add lines 22a and 22b (see page 15 of the instructions for additional taxes) | | | | | | | |
| Tax and Payments | 23 | Payments: a 2000 estimated tax payments & amount applied from 1999 return | | 23a | | | | | |
| | b | Tax deposited with Form 7004 | | 23b | | | | | |
| | c | Credit for Federal tax paid on fuels (attach Form 4136) | | 23c | | | | | |
| | d | Add lines 23a through 23c | | | | | | | |
| | 24 | Estimated tax penalty. Check if Form 2220 is attached | | | | | | | |
| | 25 | Tax due. If the total of lines 22c and 24 is larger than line 23d, enter amount owed. See page 4 of the instructions for depository method of payment | | | | | | | |
| | 26 | Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid | | | | | | | |
| 27 | Enter amount of line 26 you want: Credited to 2001 estimated tax | | | | | | | | |

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

ALAN STRINGER

Date

7/10/01

Title

PRESIDENT

Preparer's signature

EDWARD G. STAMY

Date

7/10/01

Check if self-employed

Preparer's SSN or PTIN

468-58-4297

d
Preparer's
Use Only

Firm's name (or yours if self-employed), address, and ZIP code

EDWARD G. STAMY, C.P.A., P.C.
917 CALIFORNIA AVENUE
LIBBY, MT 59923

EIN

81-0481101

Phone no.

406-293-2733

Schedule A Cost of Goods Sold (see page 16 of the instructions)

| | | | |
|---|---|---|--------|
| 1 | Inventory at beginning of year | 1 | |
| 2 | Purchases | 2 | |
| 3 | Cost of labor | 3 | |
| | Additional section 263A costs (attach schedule) | 4 | |
| 5 | Other costs (attach schedule) | 5 | 98,350 |
| 6 | Total. Add lines 1 through 5 | 6 | 98,350 |
| 7 | Inventory at end of year | 7 | |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 | 8 | 98,350 |

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (specify method used and attach explanation) ▶

b Check if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d ☐

e Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? ☐ Yes ☒ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No

If "Yes," attach explanation.

Schedule B Other Information

| | Yes | No |
|---|-----|----|
| 1 Check method of accounting: (a) <input checked="" type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶ | | |
| 2 Refer to the list on pages 29 through 31 of the instructions and state the corporation's principal: (a) Business activity ▶ LAND DEVELOPMENT (b) Product or service ▶ REAL ESTATE | | |
| 3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned | | X |
| 4 Was the corporation a member of a controlled group subject to the provisions of section 1561? Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter ▶ <input type="checkbox"/> | | X |
| 6 Check this box if the corporation issued publicly offered debt instruments with original issue discount If so, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. ▶ <input type="checkbox"/> | | |
| 7 If the corporation: (a) filed its election to be an S corporation after 1986, (b) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see page 17 of the instructions) ▶ \$ | | |
| 8 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see page 18 of the instructions) ▶ <input type="checkbox"/> | | |

Note: If the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to attach

Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule K Shareholders' Shares of Income, Credits, Deductions, etc.

| (a) Pro rata share items | | (b) Total amount | |
|---|----------------------|------------------|--|
| 1 Ordinary income (loss) from trade or business activities (page 1, line 21) | 1 | 18,225 | |
| 2 Net income (loss) from rental real estate activities (attach Form 8825) | 2 | | |
| 3a Gross income from other rental activities | 3a | | |
| b Expenses from other rental activities (attach schedule) | 3b | | |
| c Net income (loss) from other rental activities. Subtract line 3b from line 3a | 3c | | |
| 4 Portfolio income (loss): | | | |
| a Interest income | 4a | 429 | |
| b Ordinary dividends | 4b | | |
| c Royalty income | 4c | | |
| d Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) | 4d | | |
| e Net long-term capital gain (loss) (attach Schedule D (Form 1120S)): | | | |
| (1) 28% rate gain (loss) ▶ | (2) Total for year ▶ | 4e(2) | |
| f Other portfolio income (loss) (attach schedule) | 4f | | |
| 5 Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797) | 5 | | |
| 6 Other income (loss) (attach schedule) | 6 | | |

| Schedule K Shareholders' Shares of Income, Credits, Deductions, etc. (continued) | | (a) Pro rata share items | (b) Total amount |
|--|---|---|------------------|
| Deductions | 7 | Charitable contributions (attach schedule) | 7 |
| | 8 | Section 179 expense deduction (attach Form 4562) | 8 |
| | 9 | Deductions related to portfolio income (loss) (itemize) | 9 |
| | 10 | Other deductions (attach schedule) | 10 |
| Investment Interest | 11a | Interest expense on investment debts | 11a |
| | b (1) | Investment income included on lines 4a, 4b, 4c, and 4f above | 11b(1) 429 |
| | (2) | Investment expenses included on line 9 above | 11b(2) |
| Credits | 12a | Credit for alcohol used as a fuel (attach Form 6478) | 12a |
| | b | Low-income housing credit: | |
| | (1) | From partnerships to which section 42(j)(5) applies for property placed in service before 1990 | 12b(1) |
| | (2) | Other than on line 12b(1) for property placed in service before 1990 | 12b(2) |
| | (3) | From partnerships to which section 42(j)(5) applies for property placed in service after 1989 | 12b(3) |
| | (4) | Other than on line 12b(3) for property placed in service after 1989 | 12b(4) |
| | c | Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468) | 12c |
| | d | Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities | 12d |
| | e | Credits related to other rental activities | 12e |
| 13 | Other credits | 13 | |
| Adjustments and Tax Preference Items | 14a | Depreciation adjustment on property placed in service after 1986 | 14a |
| | b | Adjusted gain or loss | 14b |
| | c | Depletion (other than oil and gas) | 14c |
| | d (1) | Gross income from oil, gas, or geothermal properties | 14d(1) |
| | (2) | Deductions allocable to oil, gas, or geothermal properties | 14d(2) |
| e | Other adjustments and tax preference items (attach schedule) | 14e | |
| Foreign Taxes | 15a | Name of foreign country or U.S. possession ▶ | |
| | b | Gross income sourced at shareholder level | 15b |
| | c | Foreign gross income sourced at corporate level: | |
| | (1) | Passive | 15c(1) |
| | (2) | Listed categories (attach schedule) | 15c(2) |
| | (3) | General limitation | 15c(3) |
| | d | Deductions allocated and apportioned at shareholder level: | |
| | (1) | Interest expense | 15d(1) |
| | (2) | Other | 15d(2) |
| | e | Deductions allocated and apportioned at corporate level to foreign source income: | |
| (1) | Passive | 15e(1) | |
| (2) | Listed categories (attach schedule) | 15e(2) | |
| (3) | General limitation | 15e(3) | |
| f | Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued | 15f | |
| g | Reduction in taxes available for credit & gross income from all sources (att. sch.) | 15g | |
| Other | 16 | Section 59(e)(2) expenditures: | |
| | a | Type ▶ | b Amount ▶ 16b |
| | 17 | Tax-exempt interest income | 17 |
| | 18 | Other tax-exempt income | 18 |
| | 19 | Nondeductible expenses | 19 |
| | 20 | Total property distributions (including cash) other than dividends reported on line 22 below | 20 |
| | 21 | Other items and amounts required to be reported separately to shareholders (attach schedule) | |
| | 22 | Total dividend distributions paid from accumulated earnings and profits | 22 |
| 23 | Income (loss). (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15f, and 16b | 23 18,654 | |

| Schedule L Balance Sheets per Books | | Beginning of tax year | | End of tax year | |
|--------------------------------------|--|-----------------------|--------|-----------------|--------|
| Assets | | (a) | (b) | (c) | (d) |
| 1 | Cash | | 7,486 | | 25,663 |
| 2a | Trade notes and accounts receivable | | | | |
| | Less allowance for bad debts | | | | |
| | Inventories | | | | |
| 4 | U.S. Government obligations | | | | |
| 5 | Tax-exempt securities | | | | |
| 6 | Other current assets | | | | |
| 7 | Loans to shareholders | | | | |
| 8 | Mortgage and real estate loans | | | | |
| 9 | Other investments | | | | |
| 10a | Buildings and other depreciable assets | 402 | | | |
| b | Less accumulated depreciation | 402 | 0 | | |
| 11a | Depletable assets | | | | |
| b | Less accumulated depletion | | | | |
| 12 | Land (net of any amortization) | | | | |
| 13a | Intangible assets (amortizable only) | 52 | | 52 | |
| b | Less accumulated amortization | | 52 | 52 | 0 |
| 14 | Other assets (attach sch.) STMT 4 | | 5,565 | | 5,994 |
| 15 | Total assets | | 13,103 | | 31,657 |
| Liabilities and Shareholders' Equity | | | | | |
| 16 | Accounts payable | | | | |
| 17 | Mortgages, notes, bonds payable in less than 1 year | | | | |
| 18 | Other current liabilities | | | | |
| 19 | Loans from shareholders | | 100 | | |
| 20 | Mortgages, notes, bonds payable in 1 year or more | | | | |
| 21 | Other liabilities (att. sch.) | | | | |
| 22 | Capital stock | | | | |
| 23 | Additional paid-in capital | | | | |
| | Retained earnings | | 13,003 | | 31,657 |
| 24 | Adjustment to shareholders' equity (attach schedule) | | | | |
| 26 | Less cost of treasury stock | | | | |
| 27 | Total liabilities and shareholders' equity | | 13,103 | | 31,657 |

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (You are not required to complete this schedule if the total assets on Ln. 15, column (d), of Schedule L are less than \$25,000.)

| | | | | | |
|---|---|--------|---|--|--------|
| 1 | Net income (loss) per books | 18,654 | 5 | Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize): | |
| 2 | Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize): | | a | Tax-exempt interest \$ | |
| 3 | Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15f, and 16b (itemize): | | 6 | Deductions included on Schedule K, lines 1 through 11a, 15f, and 16b, not charged against book income this year (itemize): | |
| a | Depreciation \$ | | a | Depreciation \$ | |
| b | Travel and entertainment \$ | | 7 | Add lines 5 and 6 | |
| 4 | Add lines 1 through 3 | 18,654 | 8 | Income (loss) (Schedule K, line 23). | |
| | | | | Line 4 less line 7 | 18,654 |

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see page 27 of the instructions)

| | (a) Accumulated adjustments account | (b) Other adjustments account | (c) Shareholders' undistributed taxable income previously taxed |
|---|---|-------------------------------|---|
| 1 | Balance at beginning of tax year | -7,415 | |
| 2 | Ordinary income from page 1, line 21 | 18,225 | |
| 3 | Other additions STMT 5 | 429 | |
| 4 | Loss from page 1, line 21 | | |
| | Other reductions | | |
| | Combine lines 1 through 5 | 11,239 | |
| 7 | Distributions other than div. distributions | | |
| 8 | Balance at end of tax year. Subtract Ln. 7 from Ln. 6 | 11,239 | |

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

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Shareholder's Share of income, credits, and deductions

See separate instructions.

For calendar year 2000 or tax year

2000

| | | | |
|--|-------------|--|------------|
| beginning | | and ending | |
| Shareholder's identifying number ▶ | 517-86-8055 | Corporation's identifying number ▶ | 81-0495013 |
| Shareholder's name, address, and ZIP code | | Corporation's name, address, and ZIP code | |
| MARK G. OWENS P.O. BOX 1055 LIBBY MT 59923 | | KOOTENAI DEVELOPMENT COMPANY 317 MINERAL AVENUE P.O. BOX 695 LIBBY MT 59923 | |

- A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 51.000000 %
- B Internal Revenue Service Center where corporation filed its return ▶ OGDEN, UT 84201
- C Tax shelter registration number (see instructions for Schedule K-1) ▶
- D Check applicable boxes: (1) ☒ Final K-1 (2) ☒ Amended K-1

| (a) Pro rata share items | | (b) Amount | (c) Form 1040 filers enter the amount in column (b) on: |
|--|--|------------|--|
| Income (Loss) | 1 Ordinary income (loss) from trade or business activities | 1 9,295 | See pages 4 and 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S). Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) Sch. D, line 12, col. (g) Sch. D, line 12, col. (f) (Enter on appl. ln. of your return.) See Shareholder's Instructions for Schedule K-1 (Form 1120S). (Enter on appl. ln. of your return.) |
| | 2 Net income (loss) from rental real estate activities | 2 | |
| | 3 Net income (loss) from other rental activities | 3 | |
| | 4 Portfolio income (loss): | | |
| | a Interest | 4a 219 | |
| | b Ordinary dividends | 4b | |
| | c Royalties | 4c | |
| | d Net short-term capital gain (loss) | 4d | |
| | e Net long-term capital gain (loss): | | |
| | (1) 28% rate gain (loss) | 4e(1) | |
| (2) Total for year | 4e(2) | | |
| f Other portfolio income (loss) (attach schedule) | 4f | | |
| 5 Net section 1231 gain (loss) (other than due to casualty or theft) | 5 | | |
| 6 Other income (loss) (attach schedule) | 6 | | |
| Deductions | 7 Charitable contributions (attach schedule) | 7 | Sch. A, line 15 or 16 |
| | 8 Section 179 expense deduction | 8 | See page 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S). |
| | 9 Deductions related to portfolio income (loss) | 9 | |
| | 10 Other deductions (attach schedule) | 10 | |
| Investment Interest | 11a Interest expense on investment debts | 11a | Form 4952, line 1 |
| | b (1) Investment income included on lines 4a, 4b, 4c, and 4f above | 11b(1) 219 | See Shareholder's Instructions for Schedule K-1 (Form 1120S). |
| | (2) Investment expenses included on line 9 above | 11b(2) | |
| Credits | 12a Credit for alcohol used as fuel | 12a | Form 6478, line 10 |
| | b Low-income housing credit: | | Form 8586, line 5 |
| | (1) From section 42(j)(5) partnerships for property placed in service before 1990 | 12b(1) | |
| | (2) Other than on line 12b(1) for property placed in service before 1990 | 12b(2) | |
| | (3) From section 42(j)(5) partnerships for property placed in service after 1989 | 12b(3) | |
| | (4) Other than on line 12b(3) for property placed in service after 1989 | 12b(4) | |
| | c Qualified rehabilitation expenditures related to rental real estate activities | 12c | See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S). |
| | d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities | 12d | |
| | e Credits related to other rental activities | 12e | |
| | 13 Other credits | 13 | |

For Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 2000

THERE ARE NO AMOUNTS FOR PAGE 2

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Case 01-01139-AMC Doc 1089-11 Filed 11/07/01 Page 26 of 50
Shareholder's Share of Income, Credits, Deductions, etc.

See separate instructions.

For calendar year 2000 or tax year

OMB NO. 1545-0047

2000

beginning

and ending

Shareholder's identifying number ▶ 397-32-6816

Corporation's identifying number ▶ 81-0495013

Shareholder's name, address, and ZIP code

Corporation's name, address, and ZIP code

JACK W. WOLTER
73043 MONTERRA CIR N
PALM DESERT CA 92260

KOOTENAI DEVELOPMENT COMPANY
317 MINERAL AVENUE
P.O. BOX 695
LIBBY MT 59923

A Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 49.000000 %

B Internal Revenue Service Center where corporation filed its return ▶ OGDEN, UT 84201

C Tax shelter registration number (see instructions for Schedule K-1) ▶

D Check applicable boxes: (1) ☒ Final K-1 (2) ☒ Amended K-1

(a) Pro rata share items

(b) Amount

(c) Form 1040 filers enter
the amount in column (b) on:

| | | | | |
|---|---|--------|-------|--|
| Income (Loss) | 1 Ordinary income (loss) from trade or business activities | 1 | 8,930 | <p>See pages 4 and 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).</p> <p>Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f)</p> <p>Sch. D, line 12, col. (g) Sch. D, line 12, col. (f) (Enter on appl. ln. of your return.) See Shareholder's Instructions for Schedule K-1 (Form 1120S). (Enter on appl. ln. of your return.)</p> |
| | 2 Net income (loss) from rental real estate activities | 2 | | |
| | 3 Net income (loss) from other rental activities | 3 | | |
| | 4 Portfolio income (loss): | | | |
| | a Interest | 4a | 210 | |
| | b Ordinary dividends | 4b | | |
| | c Royalties | 4c | | |
| | d Net short-term capital gain (loss) | 4d | | |
| | e Net long-term capital gain (loss): | | | |
| | (1) 28% rate gain (loss) | 4e(1) | | |
| (2) Total for year | 4e(2) | | | |
| f Other portfolio income (loss) (attach schedule) | 4f | | | |
| | 5 Net section 1231 gain (loss) (other than due to casualty or theft) | 5 | | |
| | 6 Other income (loss) (attach schedule) | 6 | | |
| Deductions | 7 Charitable contributions (attach schedule) | 7 | | Sch. A, line 15 or 16 |
| | 8 Section 179 expense deduction | 8 | | <p>See page 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).</p> |
| | 9 Deductions related to portfolio income (loss) | 9 | | |
| | 10 Other deductions (attach schedule) | 10 | | |
| Investment Interest | 11a Interest expense on investment debts | 11a | | Form 4952, line 1 |
| | b (1) Investment income included on lines 4a, 4b, 4c, and 4f above | 11b(1) | 210 | <p>See Shareholder's Instructions for Schedule K-1 (Form 1120S).</p> |
| | (2) Investment expenses included on line 9 above | 11b(2) | | |
| Credits | 12a Credit for alcohol used as fuel | 12a | | Form 6478, line 10 |
| | b Low-income housing credit: | | | <p>Form 8586, line 5</p> |
| | (1) From section 42(j)(5) partnerships for property placed in service before 1990 | 12b(1) | | |
| | (2) Other than on line 12b(1) for property placed in service before 1990 | 12b(2) | | |
| | (3) From section 42(j)(5) partnerships for property placed in service after 1989 | 12b(3) | | |
| | (4) Other than on line 12b(3) for property placed in service after 1989 | 12b(4) | | |
| | c Qualified rehabilitation expenditures related to rental real estate activities | 12c | | <p>See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).</p> |
| | d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities | 12d | | |
| | e Credits related to other rental activities | 12e | | |
| | 13 Other credits | 13 | | |

For Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 2000

THERE ARE NO AMOUNTS FOR PAGE 2

Form **4562**

(Including Information on Listed Property)

2000Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach this form to your return.

Attachment
Sequence No. **67**

Name(s) shown on return

NOTENAI DEVELOPMENT COMPANY

Identifying number

81-0495013

L ss or activity to which this form relates

REGULAR DEPRECIATION**Part I Election To Expense Certain Tangible Property (Section 179)****Note:** If you have any "listed property," complete Part V before you complete Part I.

| | | | |
|---|---|---|-----------|
| 1 | Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions | 1 | \$20,000 |
| 2 | Total cost of section 179 property placed in service. See page 2 of the instructions | 2 | |
| 3 | Threshold cost of section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions | 5 | |

| (a) Description of property | (b) Cost (business use only) | (c) Elected cost | |
|-----------------------------|--|------------------|--|
| 6 | | | |
| 7 | Listed property. Enter amount from line 27 | 7 | |
| 8 | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | |
| 10 | Carryover of disallowed deduction from 1999. See page 3 of the instructions | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | |
| 13 | Carryover of disallowed deduction to 2001. Add lines 9 and 10, less line 12 | 13 | |

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.**Part II MACRS Depreciation for Assets Placed in Service Only During Your 2000 Tax Year (Do not include listed property.)****Section A-General Asset Account Election**

- 14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 3 of the instructions ☐

Section B-General Depreciation System (GDS) (See page 3 of the instructions.)

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only-see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 15a 3-year property | | | | | | |
| b 5-year property | | | | | | |
| c 7-year property | | | | | | |
| d 10-year property | | | | | | |
| e 15-year property | | | | | | |
| f 20-year property | | | | | | |
| g 25-year property | | | 25 yrs. | | S/L | |
| h Residential rental property | | | 27.5 yrs. | MM | S/L | |
| i Nonresidential real property | | | 27.5 yrs. | MM | S/L | |
| | | | 39 yrs. | MM | S/L | |
| | | | | MM | S/L | |

Section C-Alternative Depreciation System (ADS) (See page 5 of the instructions.)

| | | | | | | |
|----------------|--|--|---------|----|-----|--|
| 16a Class life | | | | | S/L | |
| b 12-year | | | 12 yrs. | | S/L | |
| c 40-year | | | 40 yrs. | MM | S/L | |

Part III Other Depreciation (Do not include listed property.) (See page 5 of the instructions.)

| | | |
|---|----|--|
| 17 GDS and ADS deductions for assets placed in service in tax years beginning before 2000 | 17 | |
| 18 Property subject to section 168(f)(1) election | 18 | |
| 19 ACRS and other depreciation | 19 | |

Part IV Summary (See page 6 of the instructions.)

| | | |
|---|----|--|
| 20 Listed property. Enter amount from line 26 | 20 | |
| 21 Total. Add deductions from line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instructions | 21 | |
| 22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 22 | |

For Paperwork Reduction Act Notice, see page 9 of the instructions.

Form **4562** (2000)

Part V Listed Property- (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A-Depreciation and Other Information (Caution: See page 7 of the instructions for limits for passenger automobiles.)

| Do you have evidence to support the busn./invest. use claimed? | | | | | Yes | No | 23b If "Yes," is the evidence written? | | | | | Yes | No |
|---|-------------------------------|-------------------------------------|----------------------------|--|------------------------|--------------------------|--|---------------------------------|--|----|--|-----|----|
| (a) Type of prop. (list vehicles first) | (b) Date placed in service | (c) Busn./invest. use percentage | (d) Cost or other basis | (e) Basis for depreciation (business/investment use only) | (f) Recovery period | (g) Method/Convention | (h) Depreciation deduction | (i) Elected section 179 cost | | | | | |
| 24 Property used more than 50% in a qualified business use (See page 6 of the instructions.): | | | | | | | | | | | | | |
| | | % | | | | | | | | | | | |
| | | % | | | | | | | | | | | |
| 25 Property used 50% or less in a qualified business use (See page 6 of the instructions.): | | | | | | | | | | | | | |
| | | % | | | | S/L- | | | | | | | |
| | | % | | | | S/L- | | | | | | | |
| 26 Add amounts in column (h). Enter the total here and on line 20, page 1 | | | | | | | | | | 26 | | | |
| 27 Add amounts in column (i). Enter the total here and on line 7, page 1 | | | | | | | | | | 27 | | | |

Section B-Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

| | (a) Vehicle 1 | (b) Vehicle 2 | (c) Vehicle 3 | (d) Vehicle 4 | (e) Vehicle 5 | (f) Vehicle 6 | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|-----|----|-----|----|-----|----|
| 28 Total business/investment miles driven during the year (do not include commuting miles-see page 1 of the instructions) | | | | | | | | | | | | |
| 29 Total commuting miles driven during the year | | | | | | | | | | | | |
| 30 Total other personal (noncommuting) miles driven | | | | | | | | | | | | |
| 31 Total miles driven during the year. Add lines 28 through 30 | | | | | | | | | | | | |
| 32 Was the vehicle available for personal use during off-duty hours? | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No |
| 33 Was the vehicle used primarily by a more than 5% owner or related person? | | | | | | | | | | | | |
| 34 Is another vehicle available for personal use? | | | | | | | | | | | | |

Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons. See page 8 of the instructions.

| | Yes | No |
|---|-----|----|
| 35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? | | |
| 36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners | | |
| 37 Do you treat all use of vehicles by employees as personal use? | | |
| 38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? | | |
| 39 Do you meet the requirements concerning qualified automobile demonstration use? See page 8 of the instructions | | |

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

| (a) Description of costs | (b) Date amortization begins | (c) Amortizable amount | (d) Code section | (e) Amortization period or percentage | (f) Amortization for this year | |
|---|---------------------------------|---------------------------|---------------------|--|-----------------------------------|----|
| 40 Amortization of costs that begins during your 2000 tax year (See page 8 of the instructions.): | | | | | | |
| | | | | | | |
| 41 Amortization of costs that began before 2000 | | | | | 41 | 52 |
| 42 Total. Add amounts in column (f). See page 9 of the instructions for where to report | | | | | 42 | 52 |

81-0495013

Federal Statements

FYE: 12/31/2000

General Footnote

ON 7/14/00 W.R. GRACE & CO-CONN. (A PUBLICLY HELD CORPORATION) PURCHASED 333.333 SHARES OF THE 500 OUTSTANDING SHARES OF KOOTENAI DEVELOPMENT COMPANY, THUS CAUSING TERMINATION OF IT'S S CORPORATION ELECTION. INCOME AND EXPENSES FROM 1/1/00 THROUGH 7/14/00 IS REPORTED ON THIS RETURN. ANY SUBSEQUENT TRANSACTIONS (IE. 7/15-12/31/00) WILL BE REPORTED AS A C CORPORATION ON FORM 1120.

81-0495013

Federal Statements

FYE: 12/31/2000

Statement 1 - Form 1120S, Page 1, Line 5 - Other Income

| Description | Amount |
|-------------|--------|
| MISC | \$ 100 |
| TOTAL | \$ 100 |

Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions

| Description | Amount |
|---------------------------|-----------|
| FREIGHT | \$ 7 |
| INSURANCE | 63 |
| LEGAL & PROFESSIONAL FEES | 21,184 |
| AMORTIZATION | 52 |
| TOTAL | \$ 21,306 |

Federal Statements

Statement 3 - Form 1120S, Page 2, Schedule A, Line 5 - Other Costs

| <u>Description</u> | <u>Amount</u> |
|--------------------|------------------|
| CONTRACTORS | \$ 98,350 |
| TOTAL | <u>\$ 98,350</u> |

81-0495013

Federal Statements

FYE: 12/31/2000

Statement 4 - Form 1120S, Page 4, Schedule L, Line 14 - Other Assets

| Description | Beginning of Year | End of Year |
|------------------|----------------------|----------------|
| RECLAMATION BOND | \$ 5,565 | \$ 5,994 |
| TOTAL | \$ 5,565 | \$ 5,994 |

Statement 5 - Form 1120S, Page 4, Schedule M-2, Line 3(a) - Other Additions

| Description | Amount |
|-----------------|--------|
| INTEREST INCOME | \$ 429 |
| TOTAL | \$ 429 |

1065**U.S. Return of Partnership Income**

OMB No. 1545-0099

Form

Department of the Treasury
Internal Revenue Service

For calendar year 2000, or tax year beginning _____, 2000, and ending _____

▶ See separate instructions.

2000

A Principal business activity

Name of partnership

D Employer identification number

MINING**H-G COAL COMPANY****84-1188108**

B Principal product or service

Number, street, and room or suite no. If a P.O. box, see page 13 of the instructions.

E Date business started

COAL**5400 BROKEN SOUND BLVD. NW, SUITE 300****10/19/1991**

C Business code number

City or town, state, and ZIP code

F Total assets (see page 13 of the instructions)

324190**BOCA RATON****FL****33487****\$ 342,384.**G Check applicable boxes: (1) ☐ Initial return(2) ☐ Final return(3) ☒ Change in address(4) ☐ Amended returnH Check accounting method: (1) ☐ Cash(2) ☒ Accrual(3) ☐ Other (specify) ▶

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶

2**Caution:** Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

| | | | | |
|--|--|------|----|------|
| Income | 1 a Gross receipts or sales | 1 a | | |
| | b Less returns and allowances | 1 b | | 1 c |
| | 2 Cost of goods sold (Schedule A, line 8) | | | 2 |
| | 3 Gross profit. Subtract line 2 from line 1c | | | 3 |
| | 4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule) | | | 4 |
| | 5 Net farm profit (loss) (attach Schedule F (Form 1040)) | | | 5 |
| | 6 Net gain (loss) from Form 4797, Part II, line 18 | | | 6 |
| | 7 Other income (loss) (attach schedule) | | | 7 |
| 8 Total income (loss). Combine lines 3 through 7 | | | 8 | |
| Deductions (see page 14 of the instructions for limitations) | 9 Salaries and wages (other than to partners) (less employment credits) | | | 9 |
| | 10 Guaranteed payments to partners | | | 10 |
| | 11 Repairs and maintenance | | | 11 |
| | 12 Bad debts | | | 12 |
| | 13 Rent | | | 13 |
| | 14 Taxes and licenses | | | 14 |
| | 15 Interest | | | 15 |
| | 16 a Depreciation (if required, attach Form 4562) | 16 a | | |
| | b Less depreciation reported on Schedule A and elsewhere on return | 16 b | | 16 c |
| | 17 Depletion (Do not deduct oil and gas depletion.) | | | 17 |
| | 18 Retirement plans, etc. | | | 18 |
| | 19 Employee benefit programs | | | 19 |
| | 20 Other deductions (attach schedule) | | | 20 |
| | 21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20. | | | 21 |
| 22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8. | | | 22 | |

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member

Date

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code

PRICEWATERHOUSECOOPERS LLPEIN ▶ **13-4008324****200 S. BISCAYNE BLVD., STE. 1900**

Phone no.

MIAMI, FL 33131-2330**305-375-7400**

For Paperwork Reduction Act Notice, see separate instructions.

Form **1065** (2000)

Form **8736**
(Rev. October 2000)**Application for Automatic Extension of Time
To File U.S. Return for a Partnership, REMIC,
or for Certain Trusts**

OMB No. 1545-1054

Department of the Treasury
Internal Revenue Service▶ **File a separate application for each return.****Please type
or print.**File by the due
date for filing
the return for
which an
extension is
requested. See
instructions.

Name

H - G COAL COMPANY

Employer identification number

84 - 1188108

Number, street, and room or suite no. If a P.O. box, see instructions.

5400 BROKEN SOUND BLVD. NW, STE. 300

City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.

BOCA RATON FL 33487

1 I request an automatic 3-month extension of time to file (check only one):

☐ Form 1041 ☐ Form 1041-QFT ☒ Form 1065 ☐ Form 1065-B ☐ Form 10662 If the entity does not have an office or place of business in the United States, check this box ☐3a For calendar year 20 00, or other tax year beginning _____, 20 _____, and ending _____, 20 _____.

b If this tax year is for less than 12 months, check reason:

☐ Initial return ☐ Final return ☐ Change in accounting period

4 If this extension is requested for Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066, enter the following amounts:

a Tentative total tax from Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066 (see instructions) ... \$ _____

b Refundable credits and estimated tax payments, including any prior year overpayment allowed as a credit, from Form 1041, Form 1041-QFT, or Form 1065-B (see instructions). REMICs, enter -0- ... \$ _____

c Balance due. Subtract line 4b from line 4a. If zero or less, enter -0-. Enclose payment, if any, with Form 8736 (see instructions) ... \$ _____ **NONE****Caution: Interest will be charged on any tax not paid by the regular due date of Forms 1041, 1041-QFT, 1065-B, and 1066 from the due date until the tax is paid.****General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Use Form 8736 to request an automatic 3-month extension of time to file a return for:

- Trusts filing Form 1041, U.S. Income Tax Return for Estates and Trusts, or Form 1041-QFT, U.S. Income Tax Return for Qualified Funeral Trusts.
- Partnerships filing Form 1065, U.S. Return of Partnership Income, or Form 1065-B, U.S. Return of Income for Electing Large Partnerships.
- Real estate mortgage investment conduits filing Form 1066, U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return.

If allowed, the automatic extension will extend the due date of the return to the 15th day of the 3rd month following the month in which the regular due date falls. The automatic 3-month extension period includes any 2-month extension granted under Regulations section 1.6081-5 to certain foreign partnerships.

Note: An estate filing Form 1041 should not file this form. Instead, it should request an extension using Form 2758, Application for Extension of**Time To File Certain Excise, Income, Information, and Other Returns.**

The extension will be allowed if you complete Form 8736 properly, make a proper estimate of the tax on line 4a (if applicable), and file the form on time. We will notify you only if your request for an extension is not allowed.

For most partnerships, trusts, and REMICs, an automatic extension will extend the due date of the return to July 15th of the year following the close of the calendar year.

When To File

File Form 8736 by the regular due date of the return for which an extension is requested (or, in the case of certain foreign partnerships, by the expiration date of any extension of time to file granted under Regulations section 1.6081-5). The regular due date is generally the 15th day of the 4th month following the close of the entity's tax year.

Additional Extension of Time To File

If Form 8736 has already been filed but more time is needed, file Form 8800, Application for Additional Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts.

Except in cases of undue hardship, do not file Form 8800 unless Form 8736 has already been filed. Before an additional extension can be granted, the entity must show reasonable cause for the additional time needed to file.

Ask for the additional extension early so that if it is denied the return can still be filed on time.

Where To File

File Form 8736 with the Internal Revenue Service Center where the entity will file its return.

No Blanket Requests

File a separate Form 8736 for each return for which you are requesting an extension of time to file. This extension will apply only to the specific return checked on line 1. It does not extend the time for filing any related returns. For example, an automatic extension of time to file Form 1065 will not apply to the income tax returns of the partners of the partnership.

Form **8800**
(Rev. September 2000)Department of the Treasury
Internal Revenue ServiceApplication for Additional Extension of Time To File
U.S. Return for a Partnership, REMIC, or for Certain Trusts

OMB No. 1545-1057

► File a separate application for each return.

Please
type or
print.File the original
and one copy
by the due date
for filing the
return for
which an
extension is
requested. See
instructions.

Name

H - G COAL COMPANY

Number, street, and room or suite no. (If a P.O. box, see instructions.)

5400 BROKEN SOUND BLVD. NW, STE. 300

City or town, state, and ZIP code. If a foreign address, enter city, province or state,
and country. Follow the country's practice for entering the postal code.

BOCA RATON FL 33487

Employer identification number

84 - 1188108

- 1 I request an additional extension of time until October 15, 2001, to file (check only one):
☐ Form 1041 ☐ Form 1041-QFT ☒ Form 1065 ☐ Form 1065-B ☐ Form 1066

- 2 If the entity does not have an office or place of business in the United States, check this box ☐

- 3a For calendar year 20 00, or other tax year beginning _____, 20 _____, and ending _____, 20 _____

- b If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

- 4 Explain why the entity needs an extension. All entities filing this form must give an adequate explanation.
Additional time is needed to prepare a complete and accurate tax
return.

- 5 Has the entity filed Form 8736 to request an extension of time to file for this tax year? ☒ Yes ☐ No
 If you checked "No," we will grant an extension only for undue hardship. Fully explain the hardship on line 4.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature Jacqueline Zienta

Title

Pricewaterhouse Coopers
134608324Date 6/28/01

File original and one copy. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant — To Be Completed by the IRS.

- ☐ We HAVE approved this application. Please attach this form to the entity's return.
☐ We HAVE NOT approved this application.
 However, we have granted a 10-day grace period to _____. This grace period is considered a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the entity's return.
☐ We HAVE NOT approved this application. After considering the reasons stated in item 4 above, we cannot grant this request for an extension of time to file. We are not granting a 10-day grace period.
☐ We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
☐ Other: _____

Director

By: _____

Date

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please
Type
or
Print

Name

Number, street, and room or suite no. (If a P.O. box, see instructions.)

City or town, state, and ZIP code. If a foreign address, enter city, province or state,
and country. Follow the country's practice for entering the postal code.

Schedule A Cost of Goods Sold (see page 17 of the instructions)

| | | | |
|---|---|---|--|
| 1 | Inventory at beginning of year | 1 | |
| 2 | Purchases less cost of items withdrawn for personal use | 2 | |
| 3 | Cost of labor | 3 | |
| 4 | Additional section 263A costs (attach schedule) | 4 | |
| 5 | Other costs (attach schedule) | 5 | |
| 6 | Total. Add lines 1 through 5 | 6 | |
| 7 | Inventory at end of year | 7 | |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 | 8 | |

9 a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (specify method used and attach explanation) ▶

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) . . . ▶ ☐

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . ▶ ☐

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? . . . ☐ Yes ☒ No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? . . . ☐ Yes ☐ No

If "Yes," attach explanation.

Schedule B Other Information

| | Yes | No |
|---|-----|----|
| 1 What type of entity is filing this return? Check the applicable box: | | |
| a <input checked="" type="checkbox"/> Domestic general partnership | | |
| b <input type="checkbox"/> Domestic limited partnership | | |
| c <input type="checkbox"/> Domestic limited liability company | | |
| d <input type="checkbox"/> Domestic limited liability partnership | | |
| e <input type="checkbox"/> Foreign partnership | | |
| f <input type="checkbox"/> Other ▶ | | |
| 2 Are any partners in this partnership also partnerships? | | X |
| 3 During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment . . . | | X |
| 4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below . . . | | X |
| 5 Does this partnership meet all three of the following requirements? | | |
| a The partnership's total receipts for the tax year were less than \$250,000; | | |
| b The partnership's total assets at the end of the tax year were less than \$600,000; and | | |
| c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. | | |
| If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1 . . . | | X |
| 6 Does this partnership have any foreign partners? | | X |
| 7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)? . . . | | X |
| 8 Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter? . . . | | X |
| 9 At any time during calendar year 2000, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 19 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶ | | X |
| 10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 19 of the instructions . . . | | X |
| 11 Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 7 of the instructions. . . . | | X |
| 12 Enter the number of Forms 8865 attached to this return ▶ | | |

Designation of Tax Matters Partner (see page 19 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

| | |
|-----------------------------|-----------------------------|
| Name of designated TMP ▶ | Identifying number of TMP ▶ |
| Address of designated TMP ▶ | |

Schedule K Partners' Shares of Income, Credits, Deductions, etc.

| (a) Distributive share items | | (b) Total amount | |
|---|---|------------------|---------|
| Income (Loss) | 1 Ordinary income (loss) from trade or business activities (page 1, line 22) | 1 | |
| | 2 Net income (loss) from rental real estate activities (attach Form 8825) | 2 | |
| | 3a Gross income from other rental activities | 3a | |
| | b Expenses from other rental activities (attach schedule) | 3b | |
| | c Net income (loss) from other rental activities. Subtract line 3b from line 3a | 3c | |
| | 4 Portfolio income (loss): a Interest income | 4a | 2,016. |
| | b Ordinary dividends | 4b | |
| | c Royalty income | 4c | |
| | d Net short-term capital gain (loss) (attach Schedule D (Form 1065)) | 4d | |
| | e Net long-term capital gain (loss) (attach Schedule D (Form 1065)): | | |
| | (1) 28% rate gain (loss) (2) Total for year | 4e(2) | |
| f Other portfolio income (loss) (attach schedule) | 4f | | |
| 5 Guaranteed payments to partners | 5 | | |
| 6 Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797) | 6 | 2,187. | |
| 7 Other income (loss) (attach schedule) | 7 | | |
| Deductions | 8 Charitable contributions (attach schedule) | 8 | |
| | 9 Section 179 expense deduction (attach Form 4562) | 9 | |
| | 10 Deductions related to portfolio income (itemize) | 10 | |
| | 11 Other deductions (attach schedule) | 11 | |
| Credits | 12a Low-income housing credit: | | |
| | (1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990 | 12a(1) | |
| | (2) Other than on line 12a(1) for property placed in service before 1990 | 12a(2) | |
| | (3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989 | 12a(3) | |
| | (4) Other than on line 12a(3) for property placed in service after 1989 | 12a(4) | |
| | b Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468) | 12b | |
| | c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities | 12c | |
| | d Credits related to other rental activities | 12d | |
| 13 Other credits | 13 | | |
| Invl. Interest | 14a Interest expense on investment debts | 14a | |
| | b (1) Investment income included on lines 4a, 4b, 4c, and 4f above (2) Investment expenses included on line 10 above | 14b(1) STMT 1 | 2,016. |
| Self-Employment | 15a Net earnings (loss) from self-employment | 15a | |
| | b Gross farming or fishing income | 15b | |
| | c Gross nonfarm income | 15c | |
| Adjustments and Tax Preference Items | 16a Depreciation adjustment on property placed in service after 1986 | 16a | |
| | b Adjusted gain or loss | 16b | |
| | c Depletion (other than oil and gas) | 16c | |
| | d (1) Gross income from oil, gas, and geothermal properties (2) Deductions allocable to oil, gas, and geothermal properties | 16d(1) 16d(2) | |
| | e Other adjustments and tax preference items (attach schedule) SEE STATEMENT 1. | 16e | -2,187. |
| Foreign Taxes | 17a Name of foreign country or U.S. possession | | |
| | b Gross income sourced at partner level | 17b | |
| | c Foreign gross income sourced at partnership level: | | |
| | (1) Passive (2) Listed categories (attach schedule) (3) General limitation | 17c(3) | |
| | d Deductions allocated and apportioned at partner level: | | |
| | (1) Interest expense (2) Other | 17d(2) | |
| | e Deductions allocated and apportioned at partnership level to foreign source income: | | |
| | (1) Passive (2) Listed categories (attach schedule) (3) General limitation | 17e(3) | |
| f Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued | 17f | | |
| g Reduction in taxes available for credit and gross income from all sources (attach schedule) | 17g | | |
| Other | 18 Section 59(e)(2) expenditures: a Type b Amount | 18b | |
| | 19 Tax-exempt interest income | 19 | |
| | 20 Other tax-exempt income | 20 | |
| | 21 Nondeductible expenses | 21 | |
| | 22 Distributions of money (cash and marketable securities) | 22 | 52,100. |
| | 23 Distributions of property other than money | 23 | |
| | 24 Other items and amounts required to be reported separately to partners (attach schedule) | | |

Analysis of Net Income (Loss)

| | | | | | | | |
|--|---------------|--------------------------|----------------------------|------------------|-------------------------|--------------------|--------|
| 1 Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17f, and 18b | | | | | | 1 | 4,203. |
| 2 Analysis by partner type: | (i) Corporate | (ii) Individual (active) | (iii) Individual (passive) | (iv) Partnership | (v) Exempt organization | (vi) Nominee/Other | |
| a General partners | 4,203. | | | | | | |
| b Limited partners | | | | | | | |

Schedule L Balance Sheets per Books (Not required if Question 5 on Schedule B is answered "Yes.")

| Assets | Beginning of tax year | | End of tax year | |
|--|-----------------------|----------|-----------------|----------|
| | (a) | (b) | (c) | (d) |
| 1 Cash | | | | |
| 2a Trade notes and accounts receivable | | | | |
| b Less allowance for bad debts | | | | |
| 3 Inventories | | | | |
| 4 U.S. government obligations | | | | |
| 5 Tax-exempt securities | | | | |
| 6 Other current assets (attach schedule) | STMT 2 | 342,384. | | 342,384. |
| 7 Mortgage and real estate loans | | | | |
| 8 Other investments (attach schedule) | | | | |
| 9a Buildings and other depreciable assets | | | | |
| b Less accumulated depreciation | | | | |
| 10a Depletable assets | | | | |
| b Less accumulated depletion | | | | |
| 11 Land (net of any amortization) | | | | |
| 12a Intangible assets (amortizable only) | | | | |
| b Less accumulated amortization | | | | |
| 13 Other assets (attach schedule) | | | | |
| 14 Total assets | | 342,384. | | 342,384. |
| Liabilities and Capital | | | | |
| 15 Accounts payable | | | | |
| 16 Mortgages, notes, bonds payable in less than 1 year | | | | |
| 17 Other current liabilities (attach schedule) | STMT 2 | 170. | | 170. |
| 18 All nonrecourse loans | | | | |
| 19 Mortgages, notes, bonds payable in 1 year or more | | | | |
| 20 Other liabilities (attach schedule) | | | | |
| 21 Partners' capital accounts | | 342,214. | | 342,214. |
| 22 Total liabilities and capital | | 342,384. | | 342,384. |

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (Not required if Question 5 on Schedule B is answered "Yes." See page 30 of the instructions.)

| | | | |
|---|--------|--|--------|
| 1 Net income (loss) per books | | 6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize): | |
| 2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize): STMT 2 | 4,203. | a Tax-exempt interest \$ | |
| 3 Guaranteed payments (other than health insurance) | | 7 Deductions included on Schedule K, lines 1 through 11, 14a, 17f, and 18b, not charged against book income this year (itemize): | |
| 4 Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17f, and 18b (itemize): | | a Depreciation \$ | |
| a Depreciation \$ | | 8 Add lines 6 and 7 | |
| b Travel and entertainment \$ | | 9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5. | 4,203. |
| 5 Add lines 1 through 4 | 4,203. | | |

Schedule M-2 Analysis of Partners' Capital Accounts (Not required if Question 5 on Schedule B is answered "Yes.")

| | | | | |
|-----------------------------------|----------|---|--------|----------|
| 1 Balance at beginning of year | 342,214. | 6 Distributions: a Cash | STMT 2 | 52,100. |
| 2 Capital contributed during year | 52,100. | b Property | | |
| 3 Net income (loss) per books | | 7 Other decreases (itemize): | | |
| 4 Other increases (itemize): | | 8 Add lines 6 and 7 | | 52,100. |
| 5 Add lines 1 through 4 | 394,314. | 9 Balance at end of year. Subtract line 8 from line 5 | | 342,214. |

Form **4797**
Department of the Treasury
Internal Revenue Service (99)**Sales of Business Property**
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

2000
Attachment
Sequence No. 27

Name(s) shown on return

Identifying number

H-G COAL COMPANY**84-1188108**

- 1 Enter the gross proceeds from sales or exchanges reported to you for 2000 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (See instructions.)

| (a) Description of property | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Gross sales price | (e) Depreciation allowed or allowable since acquisition | (f) Cost or other basis, plus improvements and expense of sale | (g) Gain or (loss) Subtract (f) from the sum of (d) and (e) |
|---|--------------------------------------|----------------------------------|--------------------------|--|---|--|
| 2 | | | | | | |
| 3 Gain, if any, from Form 4684, line 39 | | | | | | 3 |
| 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 | | | | | | 4 2,187. |
| 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 | | | | | | 5 |
| 6 Gain, if any, from line 32, from other than casualty or theft | | | | | | 6 |
| 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: | | | | | | 7 2,187. |
| Partnerships (except electing large partnerships). Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6. Skip lines 8, 9, 11, and 12 below. | | | | | | |
| S corporations. Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 8, 9, 11, and 12 below, unless line 7 is a gain and the S corporation is subject to the capital gains tax. | | | | | | |
| All others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on Schedule D and skip lines 8, 9, and 12 below. | | | | | | |
| 8 Nonrecaptured net section 1231 losses from prior years (see instructions) | | | | | | 8 |
| 9 Subtract line 8 from line 7. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions): | | | | | | 9 |
| S corporations. Enter any gain from line 9 on Schedule D (Form 1120S), line 15, and skip lines 11 and 12 below. | | | | | | |
| All others. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below, and enter the gain from line 9 as a long-term capital gain on Schedule D. | | | | | | |

Part II Ordinary Gains and Losses

- 10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):

| | |
|--|--------|
| 11 Loss, if any, from line 7 | 11 () |
| 12 Gain, if any, from line 7 or amount from line 8, if applicable | 12 |
| 13 Gain, if any, from line 31 | 13 |
| 14 Net gain or (loss) from Form 4684, lines 31 and 38a | 14 |
| 15 Ordinary gain from installment sales from Form 6252, line 25 or 36 | 15 |
| 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 | 16 |
| 17 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions) | 17 |
| 18 Combine lines 10 through 17. Enter the gain or (loss) here and on the appropriate line as follows: | 18 |
| a For all except individual returns: Enter the gain or (loss) from line 18 on the return being filed. | |
| b For individual returns: | |
| (1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions | 18b(1) |
| (2) Redetermine the gain or (loss) on line 18 excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14 | 18b(2) |

For Paperwork Reduction Act Notice, see page 7 of the instructions.

Form 4797 (2000)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

| 19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property: | | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) |
|--|-----|--------------------------------------|----------------------------------|
| A | | | |
| B | | | |
| C | | | |
| D | | | |
| <i>These columns relate to the properties on lines 19A through 19D.</i> | | Property A | Property B |
| 20 Gross sales price (Note: See line 1 before completing.) | 20 | | |
| 21 Cost or other basis plus expense of sale | 21 | | |
| 22 Depreciation (or depletion) allowed or allowable . . | 22 | | |
| 23 Adjusted basis. Subtract line 22 from line 21 . . . | 23 | | |
| 24 Total gain. Subtract line 23 from line 20. | 24 | | |
| 25 If section 1245 property: | | | |
| a Depreciation allowed or allowable from line 22 . . | 25a | | |
| b Enter the smaller of line 24 or 25a | 25b | | |
| 26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291. | | | |
| a Additional depreciation after 1975 (see instructions) | 26a | | |
| b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions) | 26b | | |
| c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e | 26c | | |
| d Additional depreciation after 1969 and before 1976 | 26d | | |
| e Enter the smaller of line 26c or 26d | 26e | | |
| f Section 291 amount (corporations only) | 26f | | |
| g Add lines 26b, 26e, and 26f | 26g | | |
| 27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership). | | | |
| a Soil, water, and land clearing expenses | 27a | | |
| b Line 27a multiplied by applicable percentage (see instructions) . . | 27b | | |
| c Enter the smaller of line 24 or 27b | 27c | | |
| 28 If section 1254 property: | | | |
| a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) | 28a | | |
| b Enter the smaller of line 24 or 28a | 28b | | |
| 29 If section 1255 property: | | | |
| a Applicable percentage of payments excluded from income under section 126 (see instructions) | 29a | | |
| b Enter the smaller of line 24 or 29a (see instructions) | 29b | | |

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

| | | |
|---|----|--|
| 30 Total gains for all properties. Add property columns A through D, line 24 | 30 | |
| 31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 | 31 | |
| 32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6. | 32 | |

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (See instructions.)

| | (a) Section 179 | (b) Section 280F(b)(2) |
|--|-----------------|------------------------|
| 33 Section 179 expense deduction or depreciation allowable in prior years | 33 | |
| 34 Recomputed depreciation. See instructions | 34 | |
| 35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report | 35 | |

Form 4797 (2000)

Form

4797**Sales of Business Property**
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))Department of the Treasury
Internal Revenue Service (99)

▶ Attach to your tax return.

▶ See separate instructions.

2000Attachment
Sequence No. **27**

Name(s) shown on return

ALTERNATIVE MINIMUM TAX

Identifying number

H-G COAL COMPANY**84-1188108**

- 1 Enter the gross proceeds from sales or exchanges reported to you for 2000 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (See instructions.)**

| (a) Description of property | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Gross sales price | (e) Depreciation allowed or allowable since acquisition | (f) Cost or other basis, plus improvements and expense of sale | (g) Gain or (loss) Subtract (f) from the sum of (d) and (e) |
|--|--------------------------------------|----------------------------------|--------------------------|--|---|--|
| 2 | | | | | | |
| 3 Gain, if any, from Form 4684, line 39 | | | | | | 3 |
| 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 | | | | | | 4 2,187. |
| 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 | | | | | | 5 |
| 6 Gain, if any, from line 32, from other than casualty or theft | | | | | | 6 |
| 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships). Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6. Skip lines 8, 9, 11, and 12 below. S corporations. Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 8, 9, 11, and 12 below, unless line 7 is a gain and the S corporation is subject to the capital gains tax. All others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on Schedule D and skip lines 8, 9, and 12 below. | | | | | | 7 2,187. |
| 8 Nonrecaptured net section 1231 losses from prior years (see instructions) | | | | | | 8 |
| 9 Subtract line 8 from line 7. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions): S corporations. Enter any gain from line 9 on Schedule D (Form 1120S), line 15, and skip lines 11 and 12 below. All others. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below, and enter the gain from line 9 as a long-term capital gain on Schedule D. | | | | | | 9 |

Part II Ordinary Gains and Losses

- 10**
- Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):

| | | |
|--|---------------|-----|
| 11 Loss, if any, from line 7 | 11 | () |
| 12 Gain, if any, from line 7 or amount from line 8, if applicable | 12 | |
| 13 Gain, if any, from line 31 | 13 | |
| 14 Net gain or (loss) from Form 4684, lines 31 and 38a | 14 | |
| 15 Ordinary gain from installment sales from Form 6252, line 25 or 36 | 15 | |
| 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 | 16 | |
| 17 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions) | 17 | |
| 18 Combine lines 10 through 17. Enter the gain or (loss) here and on the appropriate line as follows: | 18 | |
| a For all except individual returns: Enter the gain or (loss) from line 18 on the return being filed. | | |
| b For individual returns: | | |
| (1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions | 18b(1) | |
| (2) Redetermine the gain or (loss) on line 18 excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14 | 18b(2) | |

For Paperwork Reduction Act Notice, see page 7 of the instructions.

Form **4797** (2000)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

| 19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property: | | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) |
|---|---|--------------------------------------|----------------------------------|
| A | | | |
| B | | | |
| C | | | |
| D | | | |
| These columns relate to the properties on lines 19A through 19D. ▶ | | Property A | Property B |
| 20 | Gross sales price (Note: See line 1 before completing.) | 20 | |
| 21 | Cost or other basis plus expense of sale | 21 | |
| 22 | Depreciation (or depletion) allowed or allowable | 22 | |
| 23 | Adjusted basis. Subtract line 22 from line 21 | 23 | |
| 24 | Total gain. Subtract line 23 from line 20. | 24 | |
| 25 | If section 1245 property: | | |
| a | Depreciation allowed or allowable from line 22 | 25a | |
| b | Enter the smaller of line 24 or 25a | 25b | |
| 26 | If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291. | | |
| a | Additional depreciation after 1975 (see instructions) | 26a | |
| b | Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions) | 26b | |
| c | Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e | 26c | |
| d | Additional depreciation after 1969 and before 1976 | 26d | |
| e | Enter the smaller of line 26c or 26d | 26e | |
| f | Section 291 amount (corporations only) | 26f | |
| g | Add lines 26b, 26e, and 26f | 26g | |
| 27 | If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership). | | |
| a | Soil, water, and land clearing expenses | 27a | |
| b | Line 27a multiplied by applicable percentage (see instructions) | 27b | |
| c | Enter the smaller of line 24 or 27b | 27c | |
| 28 | If section 1254 property: | | |
| a | Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) | 28a | |
| b | Enter the smaller of line 24 or 28a | 28b | |
| 29 | If section 1255 property: | | |
| a | Applicable percentage of payments excluded from income under section 126 (see instructions) | 29a | |
| b | Enter the smaller of line 24 or 29a (see instructions) | 29b | |

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

| | | | |
|----|--|----|--|
| 30 | Total gains for all properties. Add property columns A through D, line 24 | 30 | |
| 31 | Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 | 31 | |
| 32 | Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6. | 32 | |

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (See instructions.)

| | (a) Section 179 | (b) Section 280F(b)(2) |
|----|---|------------------------|
| 33 | Section 179 expense deduction or depreciation allowable in prior years | 33 |
| 34 | Recomputed depreciation. See instructions | 34 |
| 35 | Recapture amount. Subtract line 34 from line 33. See the instructions for where to report | 35 |

Form 4797 (2000)

▶ See separate instructions. ▶ Attach to your tax return.
▶ Use a separate form for each sale or other disposition of property on the installment method.

2000

Attachment
Sequence No. **79**

Name(s) shown on return

ALTERNATIVE MINIMUM TAX

Identifying number

H-G COAL COMPANY

84-1188108

1 Description of property ▶ **VACANT LAND - ROUTT COUNTY COLORADO**

2a Date acquired (month, day, year) ▶ **01/01/1981**

b Date sold (month, day, year) ▶ **10/02/1995**

3 Was the property sold to a related party after May 14, 1980? See instructions. If "No," skip line 4 ☐ Yes ☒ No

4 Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale ☐ Yes ☐ No

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

| | | |
|---|----|--|
| 5 Selling price including mortgages and other debts. Do not include interest whether stated or unstated | 5 | |
| 6 Mortgages and other debts the buyer assumed or took the property subject to, but not new mortgages the buyer got from a bank or other source | 6 | |
| 7 Subtract line 6 from line 5 | 7 | |
| 8 Cost or other basis of property sold | 8 | |
| 9 Depreciation allowed or allowable | 9 | |
| 10 Adjusted basis. Subtract line 9 from line 8 | 10 | |
| 11 Commissions and other expenses of sale | 11 | |
| 12 Income recapture from Form 4797, Part III. See instructions | 12 | |
| 13 Add lines 10, 11, and 12 | 13 | |
| 14 Subtract line 13 from line 5. If zero or less, stop here. Do not complete the rest of this form | 14 | |
| 15 If the property described on line 1 above was your main home, enter the amount of your excluded gain. Otherwise, enter -0-. See instructions | 15 | |
| 16 Gross profit. Subtract line 15 from line 14 | 16 | |
| 17 Subtract line 13 from line 6. If zero or less, enter -0- | 17 | |
| 18 Contract price. Add line 7 and line 17 | 18 | |

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

| | | |
|--|----|----------|
| 19 Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions | 19 | 4.366192 |
| 20 For year of sale only: Enter amount from line 17 above; otherwise, enter -0- | 20 | |
| 21 Payments received during year. See instructions. Do not include interest, whether stated or unstated | 21 | 50,084. |
| 22 Add lines 20 and 21 | 22 | 50,084. |
| 23 Payments received in prior years. See instructions. Do not include interest, whether stated or unstated | 23 | 317,427. |
| 24 Installment sale income. Multiply line 22 by line 19 | 24 | 2,187. |
| 25 Part of line 24 that is ordinary income under recapture rules. See instructions | 25 | |
| 26 Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797. See instructions | 26 | 2,187. |

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

27 Name, address, and taxpayer identifying number of related party

28 Did the related party resell or dispose of the property ("second disposition") during this tax year? ☐ Yes ☐ No

29 If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is met. Check the box that applies.

a ☐ The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year) ▶

b ☐ The first disposition was a sale or exchange of stock to the issuing corporation.

c ☐ The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.

d ☐ The second disposition occurred after the death of the original seller or buyer.

e ☐ It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation. See instructions.

| | | |
|---|----|--|
| 30 Selling price of property sold by related party | 30 | |
| 31 Enter contract price from line 18 for year of first sale | 31 | |
| 32 Enter the smaller of line 30 or line 31 | 32 | |
| 33 Total payments received by the end of your 2000 tax year. See instructions | 33 | |
| 34 Subtract line 33 from line 32. If zero or less, enter -0- | 34 | |
| 35 Multiply line 34 by the gross profit percentage on line 19 for year of first sale | 35 | |
| 36 Part of line 35 that is ordinary income under recapture rules. See instructions | 36 | |
| 37 Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797. See instructions | 37 | |

=====

SCHEDULE K - LINE 4A - INTEREST INCOME

=====

| | |
|-----------------------|--------|
| INTEREST INCOME | 2,016. |
| | ----- |
| TOTAL INTEREST INCOME | 2,016. |
| | ===== |

SCHEDULE K LINE 6 - NET GAIN/LOSS UNDER SECTION 1231

=====

| | |
|--|--------|
| TRADE/BUSINESS ACTIVITIES | 2,187. |
| | ----- |
| TOTAL NET GAIN/LOSS UNDER SECTION 1231 | 2,187. |
| | ===== |

SCHEDULE K - LINE 14B(1) - INVESTMENT INCOME

=====

| | |
|--|--------|
| INTEREST INCOME | 2,016. |
| | ----- |
| TOTAL INVESTMENT INCOME, SCHEDULE K, LINE 14B(1) | 2,016. |
| | ===== |

SCHEDULE K - LINE 16E - OTHER TAX PREFERENCE ITEMS

=====

| | |
|--|---------|
| ADJUSTED GAIN(LOSS) FROM INSTALLMENT SALES | -2,187. |
| | ----- |
| TOTAL OTHER TAX PREFERENCE ITEMS | -2,187. |
| | ===== |

STATEMENT #1

FORM 1065, SUPPORTING SCHEDULES

SCHEDULE L - LINE 6 - OTHER CURRENT ASSETS

OTHER CURRENT ASSETS

BEGINNING

ENDING

342,384.

342,384.

TOTAL OTHER CURRENT ASSETS

342,384.

342,384.

SCHEDULE L - LINE 17 - OTHER CURRENT LIABILITIES

OTHER CURRENT LIABILITIES

BEGINNING

ENDING

170.

170.

TOTAL OTHER CURRENT LIABILITIES

170.

170.

SCHEDULE M-1 - LINE 2 - INCOME SUBJ. TO TAX NOT RECORDED ON BOOKS

INSTALLMENT SALE INCOME

4,203.

TOTAL INCOME SUBJECT TO TAX NOT RECORDED ON BOOKS

4,203.

SCHEDULE M-2 - LINE 2 - CAPITAL CONTRIBUTED DURING YEAR

CAPITAL CONTRIBUTED DURING THE YEAR

52,100.

TOTAL CAPITAL CONTRIBUTED DURING THE YEAR

52,100.

SCHEDULE M-2 - LINE 6A - CASH DISTRIBUTIONS

CASH DISTRIBUTIONS

52,100.

TOTAL CASH DISTRIBUTIONS

52,100.

[illegible]

Partner Address Listing

[illegible]

SCHEDULE K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

Case 01-01139-AMC Doc 1089-11 Filed 11/07/01 Page 48 of 50
Partner's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

OMB No. 1545-0099

2000

For calendar year 2000 or tax year beginning

, 2000, and ending

Partner's identifying number ▶ **22-2192450**

Partnership's identifying number ▶ **84-1188108**

Partner's name, address, and ZIP code **PARTNER # 1**
COALGRACE, INC.
5400 BROKEN SOUND BLVD. NW, SUITE
300
BOCA RATON, FL 33487

Partnership's name, address, and ZIP code
H-G COAL COMPANY
5400 BROKEN SOUND BLVD. NW, SUITE
300
BOCA RATON, FL 33487

A This partner is a ☒ general partner ☐ limited partner
☐ limited liability company member

B What type of entity is this partner? ▶ **CORPORATION**

C Is this partner a ☒ domestic or a ☐ foreign partner?

D Enter partner's percentage of:
Profit sharing % **50.000000** %
Loss sharing % **50.000000** %
Ownership of capital % **50.000000** %

E IRS Center where partnership filed return: **ATLANTA**

F Partner's share of liabilities (see instructions):

Nonrecourse
Qualified nonrecourse financing
Other **85**

G Tax shelter registration number ▶

H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

I Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

| (a) Capital account at beginning of year | (b) Capital contributed during year | (c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2 | (d) Withdrawals and distributions | (e) Capital account at end of year (combine columns (a) through (d)) |
|--|-------------------------------------|---|-----------------------------------|--|
| 633,922. | 26,050. | | (26,050.) | 633,922. |

| | (a) Distributive share item | (b) Amount | (c) 1040 filers enter the amount in column (b) on: |
|---------------|--|------------------|---|
| Income (Loss) | 1 Ordinary income (loss) from trade or business activities | 1 | See page 6 of Partner's Instructions for Schedule K-1 (Form 1065). |
| | 2 Net income (loss) from rental real estate activities | 2 | |
| | 3 Net income (loss) from other rental activities | 3 | |
| | 4 Portfolio income (loss): | | Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) Sch. D, line 12, col. (g) Sch. D, line 12, col. (f) Enter on applicable line of your return. |
| | a Interest STMT. 1. | 4a 1,008. | |
| | b Ordinary dividends | 4b | |
| | c Royalties | 4c | |
| | d Net short-term capital gain (loss) | 4d | |
| | e Net long-term capital gain (loss): | | |
| | (1) 28% rate gain (loss) | 4e(1) | |
| | (2) Total for year | 4e(2) | |
| | f Other portfolio income (loss) (attach schedule) | 4f | See page 6 of Partner's Instructions for Schedule K-1 (Form 1065). Enter on applicable line of your return. |
| | 5 Guaranteed payments to partner | 5 | |
| | 6 Net section 1231 gain (loss) (other than due to casualty or theft) | 6 1,094. | |
| | 7 Other income (loss) (attach schedule) | 7 | |
| Deductions | 8 Charitable contributions (see instructions) (attach schedule) | 8 | Sch. A, line 15 or 16 |
| | 9 Section 179 expense deduction | 9 | |
| | 10 Deductions related to portfolio income (attach schedule) | 10 | See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065). |
| | 11 Other deductions (attach schedule) | 11 | |
| Credits | 12a Low-income housing credit: | | Form 8586, line 5 |
| | (1) From section 42(j)(5) partnerships for property placed in service before 1990 | 12a(1) | |
| | (2) Other than on line 12a(1) for property placed in service before 1990 | 12a(2) | |
| | (3) From section 42(j)(5) partnerships for property placed in service after 1989 | 12a(3) | |
| | (4) Other than on line 12a(3) for property placed in service after 1989 | 12a(4) | |
| | b Qualified rehabilitation expenditures related to rental real estate activities | 12b | See page 8 of Partner's Instructions for Schedule K-1 (Form 1065). |
| | c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities | 12c | |
| | d Credits related to other rental activities | 12d | |
| | 13 Other credits | 13 | |

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2000

| (a) Distributive share item | | (b) Amount | (c) 1040 filers enter the amount in column (b) on: |
|---|---|---------------------------------|---|
| Investment Interest | 14 a Interest expense on investment debts | 14a | Form 4952, line 1 See page 9 of Partner's Instructions for Schedule K-1 (Form 1065). |
| | b (1) Investment income included on lines 4a, 4b, 4c, and 4f | b(1) 1,008. | |
| | (2) Investment expenses included on line 10 | b(2) | |
| Self-employment | 15 a Net earnings (loss) from self-employment | 15a | Sch. SE, Section A or B See page 9 of Partner's Instructions for Schedule K-1 (Form 1065). |
| | b Gross farming or fishing income | 15b | |
| | c Gross nonfarm income | 15c | |
| Adjustments and Tax Preference Items | 16 a Depreciation adjustment on property placed in service after 1986 | 16a | See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251. |
| | b Adjusted gain or loss | 16b | |
| | c Depletion (other than oil and gas) | 16c | |
| | d (1) Gross income from oil, gas, and geothermal properties | d(1) | |
| | (2) Deductions allocable to oil, gas, and geothermal properties | d(2) | |
| | e Other adjustments and tax preference items (attach schedule) | 16e -1,094. | |
| Foreign Taxes | 17 a Name of foreign country or U.S. possession ▶ | | Form 1116, Part I |
| | b Gross income sourced at partner level | 17b | |
| | c Foreign gross income sourced at partnership level: | | |
| | (1) Passive | 17c(1) | |
| | (2) Listed categories (attach schedule) | 17c(2) | |
| | (3) General limitation | 17c(3) | |
| | d Deductions allocated and apportioned at partner level: | | |
| | (1) Interest expense | 17d(1) | |
| | (2) Other | 17d(2) | |
| | e Deductions allocated and apportioned at partnership level to foreign source income: | | |
| | (1) Passive | 17e(1) | |
| | (2) Listed categories (attach schedule) | 17e(2) | |
| (3) General limitation | 17e(3) | | |
| f Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued | 17f | Form 1116, Part II | |
| g Reduction in taxes available for credit and gross income from all sources (attach schedule) | 17g | See Instructions for Form 1116. | |
| Other | 18 Section 59(e)(2) expenditures: a Type ▶ | | See page 9 of Partner's Instructions for Schedule K-1 (Form 1065). |
| | b Amount | 18b | |
| | 19 Tax-exempt interest income | 19 | Form 1040, line 8b |
| | 20 Other tax-exempt income | 20 | See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065). |
| | 21 Nondeductible expenses | 21 | |
| | 22 Distributions of money (cash and marketable securities) | 22 26,050. | |
| | 23 Distributions of property other than money | 23 | |
| | 24 Recapture of low-income housing credit: | | Form 8611, line 8 |
| a From section 42(j)(5) partnerships | 24a | | |
| b Other than on line 24a | 24b | | |
| Supplemental Information | 25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed): | | |
| | SEE PARTNER FOOTNOTES SCHEDULE | | |
| | | | |
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| PARTNER # 1 COALGRACE, INC. | | Disposed Activity | Qualified Low-Income Housing | Publicly Traded Partnership | Pass-through Activity |
|--------------------------------------|--|-------------------|------------------------------|-----------------------------|-----------------------|
| Activity Name(s) and Type of Income: | | | | | |
| A H-G COAL COMPANY | | NO | NO | NO | NO |
| B H-G COAL COMPANY | | NO | NO | NO | NO |
| C | | | | | |
| E | | | | | |

| Schedule K-1 Line References | Activity A PORTFOLIO | Activity B GEN. T\B | Activity C | Activity D | Activity E |
|---|-------------------------|------------------------|------------|------------|------------|
| 1. Ordinary income | | | | | |
| 2. Rental real estate income | | | | | |
| 3. Other rental income | | | | | |
| 4a. Interest income | 1,008. | | | | |
| 4b. Ordinary dividends | | | | | |
| 4c. Royalties | | | | | |
| 4d. Short-term capital gain/loss | | | | | |
| 4e.(1)28% Rate Long-term capital gain/loss | | | | | |
| 4e.(2)Total Long-term capital gain/loss | | | | | |
| 4f. Other portfolio income/loss | | | | | |
| 5. Guaranteed payments | | | | | |
| 6. Net Section 1231 gain/loss | | 1,094. | | | |
| 7. Other income | | | | | |
| 8. Charitable contributions | | | | | |
| 9. Section 179 expense | | | | | |
| 10. Deductions for portfolio income | | | | | |
| 11. Other deductions | | | | | |
| 12a.(1)Elec. pre-90 low-inc. housing cr. | | | | | |
| 12a.(2)Other pre-90 low-inc. housing cr. | | | | | |
| 12a.(3)Elec. post-89 low-inc. housing cr. | | | | | |
| 12a.(4)Other post-89 low-inc. housing cr. | | | | | |
| 12b. Qualified rehab. expenditures | | | | | |
| 12c. Rental real estate credits | | | | | |
| 12d. Other rental credits | | | | | |
| 13. Other credits | | | | | |
| 14a. Interest expense on inv. debts | | | | | |
| 14b.(1)Investment income | 1,008. | | | | |
| 14b.(2)Investment expense | | | | | |
| 16a. Depr. adj. on post-86 property | | | | | |
| 16b. Adjusted gain/loss | | | | | |
| 16c. Depletion | | | | | |
| 16d.(1)Gross income oil/gas/geoth | | | | | |
| 16d.(2)Deductions alloc. to oil/gas prop | | | | | |
| 16e. Other tax preference | | -1,094. | | | |
| 17b. Total gross income (ptr level). | | | | | |
| 17c.(1)Passive (ptrshp level) | | | | | |
| 17c.(2)Listed categories (ptrshp level). | | | | | |
| 17c.(3)General limitation (ptrshp level) | | | | | |
| 17d.(1)Interest exp. allo. & appt. (ptr level) | | | | | |
| 17d.(2)Other deductions allo. & appt. (ptr level) | | | | | |
| 17e.(1)Passive deductions (ptrshp level) | | | | | |
| 17e.(2)Listed categories (ptrshp level). | | | | | |
| 17e.(3)General limitation (ptrshp level) | | | | | |
| 17f. Total foreign taxes. | | | | | |
| 17g. Reduction in taxes avail. for credit | | | | | |
| 18b. Section 59(e) expenditures | | | | | |
| 19. Tax-exempt interest income | | | | | |
| 19. Other tax-exempt income | | | | | |
| 21. Nondeductible expenses. | | | | | |
| 24a. Low-inc. housing credit recap. | | | | | |
| 24b. Other than Sec. 42(j)(5) | | | | | |
| 25. Supplemental Information | | | | | |